Daily Report

Latin America

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FBIS-LAT-96-070 *10 April 1996*

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Inter-American Affairs: Mercosur Queries EU on Beef Ban

PY0504133796 Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 5 Apr 96

[FBIS Translated Text] Common Market of the South [Mercosur] member countries have demanded explanations from Britain and the EU of the decree banning UK exports of beef due to the mad cow syndrome. Brazil and its Mercosur partners drafted this request, which was sent to the EU by the Uruguayan Agriculture Ministry. Uruguayan President Julio Maria Sanguinetti is diligently striving to promote exports of Uruguayan beef through a campaign that will be launched internationally in the forthcoming days.

Inter-American Affairs: Mercosur-Brazil Trade Viewed

PY0904205396 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1522 GMT 9 Apr 96

[FBIS Translated Text] Buenos Aires, 9 Apr (NA) — Argentine Exporters Chamber (CERA) President Enrique Mantilla has asked for a "firm and intelligent" attitude in trade conflicts with Brazil. He noted that the neighboring country's subsidies for various products are detrimental to Argentine entrepreneurs.

Mantilla emphasized: "(Brazilian) subsidies for car components, textile plants, soybean plants, and the iron and steel industry, among other sectors, represent serious handicaps and are detrimental to the Argentine industry."

The entrepreneur explained the stance of local exporters during a Mercosur [Common Market of the South] Foreign Trade Council [Consejo de Comercio Exterior del Mercosur] (Mercoex) meeting that was held at the Plaza Hotel concurrently with the activities scheduled for Brazilian President Fernando Henrique Cardoso's visit.

In his lecture, Mantilla emphasized that Mercosur's "challenge" requires an effective interconnection of the national transportation, energy, and communications systems in networks encompassing the countries of this region.

Mantilla emphasized: "It is becoming increasingly obvious that the increased traffic of merchandise and the economic relations among the countries of this area will require investments, for transportation, energy, and communications alone, of about $20 billion between 1996 and the year 2000."

Changing the subject, Mantilla asked "to maintain an open regional system" and enhance the WTO within the guidelines established by the GATT '94.

In this regard, Mantilla noted that Mercosur "must be enhanced so as to conduct the negotiations with the EU and the 2005 Free Trade Zone of the Americas."

Mantilla emphasized: "The current priority involves achieving Free Trade Agreements [Tratados de Libre Comercio] with Bolivia, Chile, and Peru, which represent a basis for a key redistribution for the physical interconnection of the Southern Cone."

In this regard, Mantilla noted: "If we add other countries in our subregion, such as Bolivia, Chile, and Peru, a zone with 250 million inhabitants, with exports totaling more than $93 billion, would be created.

The CERA president indicated that the other Andean Community countries, such as Venezuela, Colombia, and Ecuador, should be incorporated as a second generation.

Mantilla ultimately noted that the Mercosur's enhancement "requires avoiding easy assumptions for the future so as to avoid coping with difficult decisions today."

Mantilla noted that the enhancement of the Mercosur Common External Tariff (CET) represents "a strategic task for the governments, thus permitting them to negotiate internationally, with real capacity."

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Cuba

Cuba: PRC Congress Chairman Qiao Shi Arrives for Visit

PA0904185496 Havana PRENSA LATINA in Spanish 2202 GMT 8 Apr 96

[Report by Javier Rodriguez]

[FBIS Translated Text] Havana, 8 Apr (PL) — Qiao Shi, chairman of the PRC's National People's Congress [NPC] Standing Committee, today advocated in this capital city for the consolidation and expansion of friendly and cooperative relations between his country and Cuba.

Qiao Shi arrived this afternoon in Havana, heading a PRC delegation, at the invitation of Ricardo Alarcon, president of the Cuban National Assembly of the People's Government [ANPP].

At the airport, Qiao was welcomed by Alarcon himself, Vice Foreign Relations Minister Isabel Allende, the presidents of the ANPP permanent committees, Vice Foreign Investment Minister Noemi Benitez, and PRC Ambassador to Cuba Liu Peigen.

In his statements to reporters, Qiao, who is also a Standing Committee member of the PRC's Communist Party Politburo, sent his greetings "to the heroic Cuban people" and recalled that over the past few years, high-level contacts have been stepped up between the two states.

Qiao particularly underscored PRC's President Jiang Zemin's visit to Cuba in 1993, as well as that of Cuban head of state Fidel Castro to the PRC in November 1995. "These visits have elevated friendship and cooperation links between the PRC and Cuba to a new stage of development."

He immediately pointed out that currently cooperation and bilateral exchange are increasing in the areas of politics, economy, commerce, science, technology, and culture with satisfactory results. He expressed the hope that his visit to Cuba will further deepen their mutual understanding and friendship.

He later announced that during his meeting with Cuban leaders, they will exchange ideas on topics of mutual interest as well as information on the current situation in their respective countries.

The PRC delegation is composed of Cao Zhi, NPC Standing Committee secretary general; Meng Liankun, NPC chairman of the NPC Internal and Judicial Affairs Committee. Yinjun, chairman of Yunnan Provincial People's Congress Standing Committee; Vice Foreign Minister Zhang Deguang, and Yu Weng, Qiao's wife.

In addition, this delegation includes Ambassador Liu Peigen and Sun Guangxing, assistant minister of foreign trade and economic cooperation.

The PRC delegation will stay in Cuba until 11 April. Tomorrow's agenda includes the placement of a wreath at the monument honoring Cuban hero Jose Marti and initial talks between Qiao and Alarcon.

Cuba: ANPP President Welcomes PRC's Qiao Shi at Airport

PA0904145896 Havana Tele Rebelde and Cubavision Networks in Spanish 0000 GMT 9 Apr 96

[Report by Marta Sosa; from the "NTV" newscast]

[FBIS Translated Excerpt] Ricardo Alarcon de Quesada, president of the National Assembly of the People's Government [ANPP], was present at the Jose Marti Airport to welcome Qiao Shi, chairman of the Chinese National People's Congress Standing Committee, who arrived in Havana on board a 747 Boeing jet plane. Alarcon gave the illustrious visitor a warm welcome. [passage omitted].

In his written statement to the media, the top leader of the Chinese parliament said he hopes his visit will contribute to the strengthening of mutual understanding and friendship between the PRC and Cuba as well as to the consolidation and expansion of Sino-Cuban friendship, relations and cooperation.

The Chinese delegation will remain until Thursday in our country, where it will visit centers of socioeconomic interest and will hold meetings with Cuban leaders.

Cuba: PRC Congress President Qiao Shi Meets With Alarcon

PA1004024796 Havana Tele Rebelde and Cubavision Networks in Spanish 0000 GMT 10 Apr 96

[Report by Marta Sosa; from the "NTV" newscast]

[FBIS Translated Text] Prior to Commander in Chief Fidel Castro's meeting with Qiao Shi, president of the Chinese National People's Congress, the delegation met with Ricardo Alarcon, president of the Cuban National Assembly of the People's Government, among other activities.

During the morning hours, the leader of the Chinese National People's Congress placed a wreath at the base of the monument in honor of Jose Marti located at the Plaza of the Revolution.

Prior to this ceremony, the high-ranking Chinese delegation had begun official discussions with its Cuban counterpart in one of the auditoriums of the Havana Convention Center. During the meeting, Qiao Shi and Ricardo

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Alarcon expressed their mutual satisfaction with being able to share and exchange experiences on the work being done by their respective parliaments. At the end of the meeting, both leaders signed a document whereby China will donate office supplies and other items to the Cuban assembly.

The Chinese parliamentary delegation arrived in Cuba yesterday and will remain until next Thursday as part of an invitation by the Cuban assembly.

Cuba: Alarcon, PRC's Qiao Shi Issue Communique

PA1004025196 Havana Radio Havana Cuba in Spanish 0000 GMT 10 Apr 96

[From the "Evening Information Review" newscast]

[FBIS Translated Text] Ricardo Alarcon, president of the Cuban parliament, and his Chinese counterpart, Qiao Shi, in Havana have reiterated the determination of both governments to increase bilateral relations.

In a joint communique issued at the conclusion of official talks, both parliamentarian leaders reaffirmed their commitment to continue supporting each other at international forums and to maintain the struggle in favor of socialism.

In an atmosphere of understanding and friendliness, Alarcon and Qiao Shi spotlighted the strengthening of Cuban-Chinese relations during the past few years, which is particularly important in view of the current international situation.

The Chinese parliamentarian leader and the members of the delegation accompanying him will meet with Cuban Vice President Carlos Lage and will tour centers of economic and scientific interest. Qiao Shi also will be declared an illustrious guest of the City of Havana.

Cuba: Castro Receives PRC Congress Chairman Qiao Shi

PA1004035296 Havana PRENSA LATINA in Spanish 0131 GMT 10 Apr 96

[FBIS Translated Text] Havana, 9 Apr (PL) — Cuban President Fidel Castro today received Qiao Shi, chairman of the Chinese National People's Congress, who is on an official visit to the island.

During the meeting, which transpired in a friendly atmosphere that corresponds with the excellent Cuban-Chinese relations, a broad exchange took place on the situation of both countries, the development of bilateral ties, the international situation, and other topics of mutual interest.

Also taking part in the meeting was Ricardo Alarcon, president of the National Assembly of the People's Government; Carlos Lage, vice president of the Council of State; and other party and government leaders.

Qiao Shi heads a Chinese parliamentary delegation that arrived yesterday in this capital. This morning, the delegation met with Ricardo Alarcon and Cuban assembly representatives.

During the exchange, Shi and Alarcon reaffirmed their country's decision to continue the fight for socialism and to give mutual support before international organizations.

Both leaders highlighted a noticeable strengthening of relations between Beijing and Havana these past years, "which is of great importance during current times," they underscored.

Cuba: Bilateral Trade Agreement Signed With Vietnam

PA0904170496 Havana Tele Rebelde and Cubavision Networks in Spanish 0000 GMT 9 Apr 96

[From the "NTV" newscast]

[FBIS Translated Text] Vietnam and Cuba signed a trade agreement today, which will regulate their bilateral trade relations until the year 2000.

The agreement was signed by Le Van Triet, Vietnamese commerce and tourism minister, and his Cuban counterpart Ricardo Cabrisas. One of the characteristics of the agreement is that its goal is to foster trade through the promotion of joint enterprises.

[Begin recording] [Triet, in Vietnamese with superimposed translation into Spanish] The agreement has very favorable conditions for both countries, especially in the promotion of their trade and cooperation relations.

[Cabrisas] We, of course, conducted an analysis of the positive aspects for both countries of the recent visit paid to Vietnam by our Commander in Chief Fidel Castro. [end recording]

According to official sources, trade between the two countries amounts to $30 million annually. Vietnam, with nearly 100,000 tons, supplies one-fourth of the island's rice imports. Both nations provide each other assistance in the promotion of their leading crops.

[Begin Triet recording] I bring many messages from our party, from our party leaders, from the government, and from the Vietnam Fatherland Front. Our people have an understanding of the difficulties faced by the Cuban people. We are determined to help Cuba in all we can. We have just initiated a campaign to collect rice donations for the Cuban people. Since we know the difficulties, we know they are only temporary. We

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know you will be able to overcome these difficulties. [end recording]

Le Van Triet, the Vietnamese commerce and tourism minister, and his delegation will visit tomorrow the citrus plantation in Jaguey Grande, located in Matanzas Province.

Cuba: Duma Members Issue Communiques on Support for Cuba

PA0904171196 Havana PRENSA LATINA in Spanish 0052 GMT 9 Apr 96

[FBIS Translated Text] Havana, 8 Apr (PL) — Russian deputies visiting Cuba met today with Vice Foreign Minister Isabel Allende, who was presented statements by the Russian Duma against the U.S. Helms-Burton law and supporting the island's sovereign decisions.

In its communiques, the Duma stated its support for Cuba in the political and economic areas, as well as its respect for the determination of the local authorities to defend Cuba's sovereignty in light of pirate flights coming from the United States.

Vitaliy Ivanovich Sevastiyanov, president of the Duma's mandate commission, who heads the Moscow delegation, also talked to Allende about the works at the Juragua Nuclear Power Plant, located in Cienfuegos Province.

Sevastiyanov told the Cuban vice foreign minister that he will propose to the Russian Government the creation of a joint enterprise with this country to finish the nuclear plant, whose construction came to a halt due to the economic crisis being faced by this nation, blockaded by Washington.

In the past weekend, the Russian Duma members toured the facilities of the nuclear plant, particularly reactor no. 1, and received information about the maintenance of the technological equipment and the buildings.

The Russian mission arrived in Havana on Thursday, at the invitation of the Cuban National Assembly of the People's Government. On the second day of its visit, the visitors met with ranking officials of the Ministry of Foreign Investment and Economic Cooperation, and visited the Center for Genetic Engineering and Biotechnology in this capital.

Cuba: Retention of 'Privileged' Ties With Spain Urged

PA1004003496 Madrid EFE in Spanish 1244 GMT 9 Apr 96

[FBIS Translated Text] Madrid, 9 Apr (EFE) — Cuban Foreign Minister Roberto Robaina said in Madrid today his country does not want to change its "privileged" relationship with Spain even though the new government will include the Popular Party (PP), winners of the 3 March general elections.

During a brief stopover at Madrid's Barajas Airport en route between Havana and Geneva, Robaina avoided further comment on whether a government headed by PP leader Jose Maria Aznar could change the relationship, particularly cooperation, between the two countries.

"It is better to wait and see what happens," said the head of Cuban diplomacy before adding that Spain's priority is to form a new cabinet before discussing its political line of action.

For more than a month, the PP, which won the election with a scarce majority, has been negotiating with regional parties to garner needed support so Aznar may be sworn in as prime minister and then be able to form a government.

Nevertheless, Robaina said the traditional links between Spain and Cuba "are at the people's level and are above the political persuasion of the governments."

Regarding the effect of the U.S. presidential election on Cuba, the minister ironically said that "it is just as well that it takes place every four years." He said we "live 90 miles away," but Cuba cannot depend on U.S. politics to continue its own way "and to defend socialism."

The Cuban minister criticized the fact that the United States presents itself as a "champion" of human rights when television recently showed the beating of a group of Mexican immigrants by U.S. policemen.

Robaina also criticized the Helms-Burton law, which intensifies the U.S. embargo against Cuba and has its effect on other countries that do business with the Caribbean state.

"The law harmed Cuba even before it was approved, because it has created uncertainty and fear," he said before adding that the only way is to continue down the road of transformations, a message which he wanted to leave clear with entrepreneurs the world over.

He said this process of change "is not backing down," and he expressed regret that the United States not only intends to act in Cuba's sovereignty but also in the decisions of other countries to trade with the island.

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Haiti

Haiti: Preval Addresses Duval Residents, Urges Reforms

PA0904140796 Port-au-Prince Radio Metropole in French 1045 GMT 8 Apr 96

[From "The Morning Newscast"; monitored in progress]

[FBIS Translated Text] ...the presidential motorcade was blocked in the neighborhood of Duval by the population who was demanding repairs on the Croix-des-Bouquets road. The inhabitants actually dug trenches on this road on the occasion of President Preval's visit. There was an incident at this point where the president's security agents started shooting in the air, and the residents hurled stones. President Preval finally decided to talk to the representatives of the population of Croix-des-Bouquets. Rene Preval clearly said that the government cannot repair this road due to the financial crisis. Preval, who was speaking in the presence of the Croix-des-Bouquets deputy, called for the Parliament's support in his policy of economic reforms.

[Begin Preval recording, in Creole] I am getting paid each month; you, deputy, are getting paid each month. But who is subsidizing us? We are being subsidized by the Haitian people's high cost of living. We are getting paid through the high cost of living. As president, I will no longer accept it, I will no longer be able to accept it, and I ask the Parliament to support the population that elected us. May everybody take their courage with both hands. I believe the situation cannot continue. We must take the necessary measures so this thing does not [word indistinct] [end recording]

This was President Rene Preval whose motorcade was blocked on 5 April in the Croix-des-Bouquets region.

Haiti: Preval, Congress Discuss Privatization

PA0904133496 Port-au-Prince Signal FM Radio in Creole 1130 GMT 8 Apr 96

[From "The 0730 Appointment Newscast"]

[FBIS Translated Text] Haitian head of state Rene Preval will meet today at the National Palace with various members of several sectors and with the presidents of the parliamentary commissions. The meeting will focus on the economy, especially the question of privatization of the state-owned enterprises. President Rene Preval also plans to hold another meeting later this week with representatives of the various sectors on this same issue. Preval held work sessions with Haitian parliamentarians and the leaders of the state-owned enterprises' unions on this issue last week. The head of state reaffirmed over the weekend his determination to have the private sector participate in the management of the state-owned enterprises in Haiti. Last week, Preval visited various police stations in the Port-au-Prince area, in Croix-des-Bouquets, and the Arcahaie area. The Haitian head of state, who was speaking to a great number of policemen, said that the government does not have the necessary means to provide the policemen with good equipment. However, he stated that the Haitian Government will negotiate with the international sponsors. Preval left Croix-des-Bouquets, where he said he does not intend to liquidate the state-owned enterprises in Haiti.

[Begin Preval recording] I do not have the right to sell state-owned enterprises, because there is no law providing for that. So, those who are saying that we are selling state-owned enterprises either do not understand or have other interests because we cannot sell state-owned enterprises. However, if the state no longer participates in the management and lets someone else manage, this is also a form of privatization. We must not get hung up on words. I will do all I can to give explanations to everybody. The deputy is here and confirms what I am saying, that is, privatization does not mean the sale of the state-owned enterprises. [end recording]

The Haitian head of state said he does not intend to sell the Haitian state-owned enterprises. However President Rene Preval reaffirmed on several occasions that the Haitian Government does not have enough means to run these enterprises. President Preval has pointed out several times his intention to sign a pact with the private sector so they can provide economic support for the functioning of the state-owned enterprises in Haiti.

Haiti: Conacom Official Criticizes Privatization Program

PA0904225896 Port-au-Prince Tropic FM in French 1100 GMT 9 Apr 96

[Report by Nahomie Calixte; from the "First News" newscast — passages within slantlines in Creole]

[FBIS Translated Excerpt] Victor Benoit, secretary general of the National Congress of Democratic Movements [Conacom], criticized the implementation of the privatization program, saying that it has ended up in failure in certain countries. Painting a dark picture of the country's economic situation, Benoit has offered to government officials certain recommendations, most notably the rationalization of the government's expenses and decentralization of state- owned enterprises. Nahomie Calixte reports.

[Calixte] /Conacom Secretary General Victor Benoit criticized the decision of those Haitian Government

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officials who have announced the privatization of state-owned enterprises. During a news conference on 8 April, Benoit said the structural adjustment program always brings misery and trouble to countries that implement it. The Conacom leader painted a dark picture of the country's economic situation, which he said is deteriorating. Conacom says it does not agree with the policy that there is nothing we can do once foreigners have spoken about and decided a course of action; thus, it does not agree with the liquidation of state-owned enterprises:

[Begin Benoit recording] /Conacom today says it does not agree with wild privatization, the thoughtless liquidation of state-owned enterprises. We favor mixed enterprises. The government must take measures by making roads and canals, by taking all actions that are essential so national production can increase. [end recording]

[Calixte] /In this regard, Benoit made some recommendations to the government so it can initiate step-by-step economic reform in the country. Conacom suggests a reduction in government expenses, the creation of mixed enterprises with a government presence, decentralization of public services, and more effective fiscal reform:

[Begin Benoit recording, in progress] /...government remain the holder of the majority of the shares in strategic enterprises such as communications, energy, and port and airport infrastructures. These are areas that have political importance regarding the country's national sovereignty. We cannot just give them to foreigners. Second, while the government plays a dominate role in them, it must sell a portion of the shares to unions, members of the private sector, and cooperatives; in this way, there will be a balance between what the financial institutions are demanding and the interests of our country./ [end recording] [passage omitted]

Haiti: PM Assesses Performance as Head of Government

PA0904235796 Port-au-Prince Tropic FM in French 1100 GMT 9 Apr 96

[Report by Yvon Massillon from the "First News" newscast — passages within slantlines are in Creole]

[FBIS Translated Excerpt] In a news conference on 8 April, Haitian head of government Rosny Smarth said he was satisfied with his performance. He assured that the government will retain the assets of those state-owned enterprises undergoing privatization. Furthermore, he said the negotiations with international donors will take place independently, respecting the country's sovereignty. Yvon Massillon reports.

[Massillon] /In his first meeting with the press, Prime Minister Rosny Smarth assessed his performance as head of the government. The prime minister commented on several issues, such as the setting up of and operations of the government. The prime minister also remarked on the preparations for talks with international donors. The talks will include such topics as the operational budget, the deficit, reforms in the state-owned enterprises, administrative reforms, budget reforms, the financial sector, and investment programs. A negotiations commission has already been established; it includes four ministers—that is, the ministers of planning, finance, commerce, and foreign affairs—the governor of the Central Bank, and the prime minister. The negotiations on privatization will begin next week, and the steps to take have already been discussed at the Council of Ministers:/

[Begin Smarth recording] We are going to propose an association [words indistinct] but that does not mean there will be no shares. There will be shares, and those shares can be sold; this means the company can have, for instance, 50 percent of the shares, and the Haitian Government can keep [words indistinct] 50 percent of the shares. The Haitian Government also can decide whether a portion of or all those shares will be transferred to the various communities. The Haitian Government also can decide to [word indistinct] a portion of those shares to the employees and the workers of the enterprises. [end recording]

[Massillon] /On the security issue, the prime minister said many steps have already been taken to strengthen the police force. Government analyses on the armed gangs, a very complicated issue, according to the prime minister, have been made. The government has decided to talk with the armed gangs while working toward the consolidation of the police with the support of the international community. [passage omitted]

/Several measures on various issues, such as traffic control, measures to prevent the importation of too many cars, the garbage problem, and the formation of a criminal investigations brigade that will focus on certain criminal actions committed in the country, will be adopted.

/The prime minister is very optimistic about his activities and announced that he will negotiate independently with the donors./

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Mexico: Government Demands U.S. Investigate Accident

PA1004031596 Mexico City LA JORNADA in Spanish 9 Apr 96 p 3

[Report by Jesus Aranda and Laura Gomez]

[FBIS Translated Text] The Mexican Government on 8 April sent a diplomatic note to the U.S. State Department demanding that it initiate an investigation, at the federal and local levels, to establish the responsibility of the policemen involved in the California accident in which seven Mexicans were killed.

Meanwhile, Mexican Foreign Secretary Jose Angel Gurria pointed out: "We will be watching for this investigation and, depending on its outcome, we will take pertinent action.

Meanwhile, Enrique Loaeza Tovar, general director of Security and Consular Affairs at the Foreign Secretariat, disclosed that the Mexicans' bodies will be transferred to Mexico on 9 or 10 April, and also that on 8 April, the Foreign Secretariat processed passports and "humanitarian visas" for the relatives of Alicia Sotero Vazquez, Enrique Funes Flores, and Jose Pedroza Cortes, thereby enabling them to travel to the United States on 9 April to meet with them. He added that the relatives' transportation and lodgings in Los Angeles will be paid for by the Mexican Government.

Foreign Secretary Gurria explained during an interview that federal authorities, working through the FBI, are investigating the beating of three Mexicans in Riverside, and that a local investigation is also under way to obtain compensation and the punishment of the guilty policemen.

The foreign secretary added that the people affected by the 6 April accident have been offered support to prevent them from being subjected to abuse or exploitation.

Meanwhile, Loaeza Tovar assured that there is an anti-immigration, xenophobic, and anti-Mexican climate among certain U.S. groups in California; he added that last week's events (the beating and the accident), are the result of the manner in which politicians have used the immigration problem in the elections, which "could generate serious consequences" for the Mexican community in the neighboring country.

Loaeza Tovar, who is in charge of consular security and of ensuring respect for the human and labor rights of Mexicans abroad, described the death threats received by Jose Angel Pescador Osuna, the Mexican consul in Los Angeles, as "cowardly, racist, and xenophobic," and warned that if the perpetrators are discovered legal action will be taken against them.

With regard to transferring the remains of the victims: Leodegario Aviles Varela, Felipe Arias Bautista, Salvador Chavez Munoz, Jaime Chavez Munoz, Banjamin Chavez Munoz, Fernando Ocampo Franco, and an as yet unidentified man, Loaeza Tovar said that the Foreign Secretariat will transport the bodies to their home towns, subject to an agreement with their relatives.

Further on he said that statements to Foreign Secretariat officials by the eight fellow Mexicans who suffered the accident, who arrived in Tijuana yesterday, made no mention that Riverside policemen had shot at them. Neither did they speak of a chase as such. They are: Gilberto Sandoval (18 years old), Gerardo Cazares (30), Celso Sanchez Carmona (19), Alfonso Herbert Campos (19), Marcelino Juan de la Rosa (21), Jesus Rios Delgado (33), Pedro Fabian Huaroco (22), and Victor Alonso Carpio (21).

To this day, he added, of the 26 pick-up [preceding word in English] occupants involved in the accident, 11 remain hospitalized: Pablo Alonso Maximo (42 years old), Fernando Covarrubias V. (20), Cupertino Hernandez Hernandez (52), Juan Nieto (31), Ignacio Reyes Gonzalez (20), Jose Guzman (21), Leonel Carmona (29), Hugo Ramirez Perez (22), Ascenio de Jesus (19), Cain Reyes Gonzalez (18), and one unidentified person.

It seems, he said, that the truck in which they were traveling was stolen, and despite the fact that the passengers asked the driver to stop, he disregarded this when he noticed the police. Then the accident took place.

Even though preliminary testimony rules out that the crash may have been on purpose, the State Department has been asked to intervene and investigate at the federal and local level in order to establish responsibilities.

Regarding the diplomatic note that the Mexican Government sent its U.S. counterpart pertaining to the beating of three Mexican citizens, Loaeza Tovar said that an explanation is awaited on the U.S. methods to control migrants.

The official rejected charges of alleged "tepid" defense by the Foreign Secretariat over the human rights of migrants.

Ever since the beginning, he said, the Foreign Secretariat sent a diplomatic note (over the beating) through its Mexican Embassy in Washington. Ambassador Jesus Silva Herzog himself sent letters of condemnation on the police brutality to California Governor Pete Wilson and local authorities. In addition, the Mexican consulates in

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Los Angeles, San Bernardino, and San Diego immediately sprang into action to attend to the victims and their relatives.

He clarified that the Mexican Government protest has been strong and to the point, but clarified that the Mexican Government is aware that these incidents should not "contaminate" the relations with the United States.

Likewise, he recalled that both governments recently agreed on various mechanisms to address the migratory problem through a "rational, respectful, and civilized" dialogue.

Mexico: Coparmex Leader Demands State 'Reconstruction'

PA0904185896 Mexico City LA JORNADA in Spanish 8 Apr 96 pp 1, 42

[Report by Patricia Munoz Rios; quotation marks as published]

[FBIS Translated Text] Carlos Abascal Carranza, president of the Employers Confederation of the Mexican Republic (Coparmex), pointed out during an interview that the private sector demands a "reconstruction of the state," and not only as a solution to the current crisis, since the country already has 26 years of "recurrent snowball crises."

He said that the population is being misled by announcements stipulating that the economy will recover in a few months and that "everything has now changed." The truth is that "nothing has changed: The government's inaccurate handling and bad habits continue; institutions have not strengthened; the productive plants have not been improved, and the employer-worker relationship model has not changed, and much less the correlation between political parties and government."

The Coparmex president said that it is also essential for the government to implement "concrete" measures to eliminate poverty since a sector of society cannot be continuously maintained dependent on government subsidies.

In order to effectively encourage a transformation, "the government would have to adopt a different attitude toward corruption, bureaucracy, the fiscal issue, public spending, and so forth. Otherwise, the country will only be going around the crises, without addressing the issues, with increasingly catastrophic effects," he warned.

During the interview, Carlos Abascal commented that Mexico has gone through a quarter century in a state of permanent crisis that has caused "severe national poverty, the stagnation of the country's productive plant, social security problems, and even the state's viability has come into question."

Recovery will not be rapid as some officials have been claiming since it will require the reconstruction of the Mexican state, he insisted.

"That means that we should make no illusions with respect to possible short- term remedies or solutions. Whoever says that this is possible is misleading the country since the situation cannot be solved in just a few months and nothing has changed as some would like to have us believe now," Abascal stated.

According to Carlos Abascal, Mexico has grown by 14 percent in real terms during the past 13 years, while countries such as South Korea grew by 140 percent during the same period which is an indication of "how behind" Mexico is with respect to modernization programs at the international level.

In his opinion, this unbalance has been substantially affected by the fact that the market economy model has not fully operated in Mexico with a social awareness because the government has inhibited this model's "wholesome" standards for ages, "it promoted an artificial struggle among social classes" in the seventies, and it even used "indiscriminate subsidy programs to serve electoral interests."

The Coparmex president said: "Civil service employees, who in many cases have attended college abroad, should enhance their education by working with, or being closer to, the national production sectors to grasp a very clear understanding of what an investment risk represents, and how to lead the working sector."

In addition, he stated that there are some secretariats that "walk on their own" without enough coordination with other agencies. For instance, he added, in order to formulate the Industrial Development Program for this six-year period, the Secretariat of Commerce and Industrial Development is expected to agree with the Finance and Public Credit Secretariat on fiscal measures that will truly promote investment.

He said the business sector has also made mistakes because some businessmen have not yet taken over their social responsibility and a national esprit de corps in order to compete in the world's market and to form production chains to generate direct exports. Moreover, they do not understand yet that "Mexico's enemy is overseas and not within the country."

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The relationship between the economy and politics also needs to change because this has caused one sector's conflicts to invade the other, and to hinder its achievements. "Therefore," this leader pointed out, "it is urgent to find mechanisms to prevent this mixup and confusion between both sectors that might have catastrophic effects."

He stated that the downfall of the Mexican working sector's purchasing power should be halted, as it has been frequently said, and that "these words sound good, but convincing actions in this regard have not taken place yet."

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Panama

Panama: President Reacts to U.S. Official's Remarks

PA0904190096 Panama City Telemetro Television Network in Spanish 1730 GMT 9 Apr 96

[From the "Telemetro Reports" newscast]

[FBIS Translated Text] President Perez Balladares today said that the presence of military bases in the Canal area did not prevent the establishment of drug cartels in Panama. The important thing is to maintain our determination to fight drug trafficking, with or without the U.S. presence, the president affirmed within the framework of his European tour.

After a meeting with European Union officials, Perez Balladares suggested that the military bases establish an information system for joint operations against drug trafficking.

Robert Gelbard, U.S. assistant secretary for international narcotics and law enforcement affairs, has stated that Panama runs the risk of being taken over by drug cartels, following the withdrawal of the U.S. bases.

Perez Balladares concluded that the U.S. certifications policy in the drug struggle will not solve the problem of drug trafficking.

Panama: Government Officials React to Gelbard's Remarks

PA0904171396 Panama City EL PANAMA AMERICA in Spanish 9 Apr 96 p E14

[Report by Carlos Vargas and Juan Manuel Diaz]

[FBIS Translated Text] Gabriel Castro, presidential intelligence and antidrug chief, rejected yesterday the precondition of negotiating the stay of the military bases under the argument that Panama would be controlled by the drug cartels, as stated by Robert Gelbard, assistant secretary for international narcotics affairs.

Castro stressed that Panama "is capable of confronting the threat of the drug traffickers" after the withdrawal of the Southern Command and indicated that as an alternative, it has offered to set up a continental antidrug center in the reverted areas.

The official said that "there could not be another Noriega (as head of the regime that condoned drug trafficking), since he (Noriega) did not become a dictator because of drug trafficking but because he worked for the CIA."

According to Gabriel Castro, the North Americans want to demand that what was not done in 50 years be done in two.

In addition, he noted that money laundering activities have been moved from Panama to Mexico.

Meanwhile, acting Foreign Minister Omar Jaen also replied to Gelbard's statement and said that Panama "is struggling fiercely and bravely against drug trafficking."

Although Jaen has admitted that Panama, as an international banking center, cannot help being the target of illegal operations, he also emphasized that several countries, including the United States, have recognized the Panamanian antidrug campaign.

The government is carefully evaluating the opinions of ranking officials from any country to seek the international community's support in the fight against all the criminals who try to take advantage of Panama's status as a transit nation.

Panama: FARC Sends Note on Nonaggression Pact With Panama

PA0904185696 Panama City EL PANAMA AMERICA in Spanish 9 Apr 96 p 14E

[Report by Juan Manuel Diaz C.]

[FBIS Translated Text] An important government source has reported that the Revolutionary Armed Forces of Colombia [FARC] have sent a note to Panamanian National Police Chief Jose Luis Sosa stating its intention to have no confrontation of any kind with Panamanian authorities.

According to the government spokesman, the FARC sent the note because of their constant presence on the Colombian-Panamanian border where they seek refuge after clashing with Colombian Army forces.

The spokesman said the note signed by FARC Commander Roberto Locada states that that organization is prepared to maintain a nonaggression pact in favor of Panamanian citizens, goods, and areas of interest to the Panamanian authorities.

The source added that FARC is waging an armed struggle against the Colombian Government and has no intention to destabilize the Panamanian Government.

The spokesman reported that FARC has approximately 800 armed men on the border with Colombia and that there are only 300 permanent Panamanian police agents in Darien.

The spokesman said that on the Colombian border region, the Panamanian Police has only 75 units trained to confront activities by irregular forces.

The spokesman reported that FARC receives along the Darien coast, weapons and materiel for sustaining their struggle.

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Panama: EU To Assist Panama in Developing Canal Areas

PA0904193896 Panama City Telemetro Television Network in Spanish 1730 GMT 9 Apr 96

[From the "Telemetro Reports" newscast]

[FBIS Translated Text] The EU has agreed to assist Panama at all levels to achieve the economic and commercial development of the reverted areas in the former Canal Zone. This was President Perez Balladares' main accomplishment today at the outset of his European tour to promote investments, according to Manuel Marin, EU commissioner for Latin America.

Among the agreements reached by Perez Balladares, the EU will participate in the Universal Conference on the Future of the Canal in 1997, and will also take part in the drafting of a study on the environmental impact of widening the Canal. In addition, the EU has pledged to play an active role in the City of Knowledge by contributing technological assistance and expertise.

The last point of the EU cooperation has been the organization of a forum with businessmen and entrepreneurs, which is being held today in Brussels, on the economic future of the Canal. This forum will be attended by President Perez Balladares.

The president insisted that the departure of U.S. troops from his country and the pullout of their installations in Panama will not create an unemployment crisis among Panamanian workers.

Panama: Illegal Passport Sale Advertised on Internet

PA0904215396 Panama City Telemetro Television Network in Spanish 1730 GMT 9 Apr 96

[From the "Telemetro Reports" newscast]

[FBIS Translated Text] An alleged Panama-based company offers through the Internet future Argentine passports, which are currently being printed, for $32,000. The firm also has for sale passports from the Dominican Republic and Honduras for about $20,000 and passports from Venezuela or Panama for $22,000.

The presumably illegal operation has come to the attention of international police organizations thanks to the Argentine Foreign Relations Ministry.

The company that offers the passports over Internet is called Privacy Tours [preceding two words in English], whose headquarters is listed as Post Office Box 87-2394 Panama.

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Argentina

Argentina: 'Arafat Thanks Menem for 'Constructive Efforts'

PY0904204096 Buenos Aires CLARIN in Spanish 9 Apr 96 p 6

[FBIS Translated Text] In a letter addressed to President Carlos Menem, Palestine National Authority [PNA] Leader Yasir 'Arafat underscored the Argentine Government's support for the Palestine claims on the conflict with Israel over the closure of borders in the Gaza Strip.

'Arafat sent a letter to Menem in response to the missive the latter sent some days ago through Interior Minister Carlos Corach. In his letter, Arafat said: "I would like to express satisfaction and appreciation of your peace-loving, productive, and constructive efforts and of your remarkable and honorable support for the Palestine people."

In the missive sent to the Argentine head of state — which was submitted by PNA Ambassador to Argentina Suhayl Hani Zahir 'Aqil — 'Arafat thanked Menem for his invitation to visit Argentina "at the earliest date possible."

Argentina: Armed Forces Ruled Out in Antidrug Fight

PY1004005996 Buenos Aires TELAM in Spanish 2119 GMT 09 Apr 96

[FBIS Translated Text] Buenos Aires, 9 Apr (TELAM) — Argentine President Menem and Brazilian President Fernando Henrique Cardoso today agreed to rule out any eventual participation of the Armed Forces in the fight against drug trafficking, and they announced that they were in favor of a frontal attack to do away with the so-called "fiscal paradises."

"Here in Argentina the participation of the Armed Forces in the fight against drug trafficking is not under consideration, and for the time being there is absolutely no possibility that they will be involved in that sector because that is why we have the security and police forces," Menem said.

Cardoso said that "the Armed Forces should not have a direct role in the question of money laundering and drug trafficking," and he maintained that in his country "the government has a very profound comprehension regarding this topic and this is also understood by the Armed Forces."

In a joint news conference that the two chiefs of state gave at the Olivos Residence, Menem also indicated that he favors the reelection of Cardoso for a second period, and he reiterated his confidence in that Argentina will be able to overcome the scourge of unemployment.

Menem and Cardoso also agreed in not giving any importance to the imbalance of the bilateral trade balance when they warned that some oscillations are common ones that can alternately benefit one or the other country.

The news conference was given at the end of a work meeting with the entourages of the two countries and after a meeting between Argentine provincial governors and Brazilian state governors to evaluate the integration process.

Afterward the two presidents signed a joint declaration that sums up the agreements that the two governments have achieved and they then presided over the signing of seven bilateral documents.

They are agreements pertaining to cooperation in the environmental and scientific and technology sectors, to the peaceful use of space technology, several protocols on cultural exchange and integration in the energy sector, and a memorandum on physical integration.

The beginning of the news conference was delayed for more than 90 minutes due to the lengthy meetings that were being held, especially the meeting between the two presidents in which they made a detailed evaluation of the joint declaration and the aspects pertaining to the implementation of the agreements, according to an official source.

On ruling out the participation of the Armed Forces in the fight against drug trafficking, Menem said that the problem becomes more and more serious "in the measure that the consumption of drugs increases" in the countries that have a heavy demand for drugs.

"This topic of carrying out controls to fight the trafficking is becoming somewhat complicated for us," Menem said. He highlighted the fact that "the constant and fluid dialogue that exists, now more than ever, between the Armed Forces of the two countries favors the implementation of all types of measures."

"In other words, everything that refers to the Armed Forces as institutions that defend the sovereignty of our respective countries, and unquestionably the sovereignty of this larger region that we have created, and that is Mercosur [Common Market of the South].

The Argentine president also maintained that "we are going to do everything we can to combat the fiscal paradises from where not only the resources for money laundering come" through drug trafficking, "but they also favor smuggling and tax evasion."

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He indicated that resources that are moved by drug trafficking throughout the world amounts to "some $600 billion," and he stressed that "we are going to firmly apply pressure to put an end to these two scourges that batter the economy and the health of our peoples."

"Despite the fact that the request is being made by the United States, Argentina is not going to use the Armed Forces to fight drug trafficking," the president emphasized.

Cardoso highlighted the fact that he had talked with Menem about this topic, and he indicated that he favors changes in the legislation that will favor the fight against "fiscal paradises."

He stated that his government has already asked the Brazilian Congress to lift banking secrecy as a measure that has the intention of perfecting the fight against drug trafficking, but always with "compatibility between strict surveillance and the privacy of the citizens."

Cardoso also highlighted the good relations that exist between the Armed Forces of the two countries, and he expressed his "concern" about the protection of the air space in order to prevent the transfer of drugs by air.

Menem also mentioned that the main current challenge for Argentina and Brazil is now economic growth.

The Argentine president justified his remarks favoring an eventual possibility of Cardoso being reelected as president of Brazil when he said that "he is a great politician and an excellent statesman."

"Four years are not enough to achieve the profound transformation that is taking place in Brazil," the Argentine president added.

Notwithstanding, he made it emphatically clear that it is not his intention to interfere in the internal affairs of Brazilian politics, and chuckling he added that "it must not be a case in which (Cardoso) should have problems with the other politicians."

Cardoso said that "Congress must make very clear decisions" regarding the continuation of the process of reforms in his country, and he added that "it is Brazilian society that must give its opinion."

He warned that "it is not a topic that must not be taken personally in order not to sink into to baser politics because it must be taken on the basis of Brazil's permanent interests."

Cardoso, who was consulted mostly on the internal politics of his country by the Brazilian journalists, stated that the state reform that is being undertaken by his government "does not encourage changes that will lead to political patronage," and he stressed that "it is serious and it does not give way to sectoral pressures."

After the news conference, Menem gave a luncheon for Cardoso with the participation of the members of the Brazilian entourage, Argentine ministers headed by Cabinet Chief Jorge Rodriguez, congressmen, and other officials.

Argentina: Joint Declaration With Brazil Outlined

PY1004014896 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2241 GMT 9 Apr 96

[FBIS Translated Text] Buenos Aires, 9 Apr (NA) — The joint declaration that has been signed by Argentine President Carlos Menem and Brazilian President Fernando Henrique Cardoso highlights the economic relations between the two countries, and it also highlights future agreements to fight drug trafficking and corruption.

In the document that was signed today in the Olivos Residence, the two presidents agreed on, among other, the following points:

Reiterate the priority that has been given to the consolidation in its current dimension of Mercosur [Common Market of the South] as an area of free trade and customs union.

Strengthen even more bilateral cooperation with an eye to developing new ways of using nuclear energy for peaceful ends.

Express their satisfaction for the intense existing links between the Armed Forces of the two countries to encourage the chiefs of staff to continue with the joint exercises.

To take note of the vigorous bilateral exchange of trade that has been demonstrated with the substantial increase in volume that amounted to $10 billion in 1995.

To express their satisfaction for the upcoming beginning of the construct of the bridge over the Uruguay River between the towns of Santo Tome (Corrientes Province) and Sao Borja (Rio Grande do Sul State).

To highlight the need to support an active exchange in the cultural sector, and to acknowledge the need to modernize the current 1968 Cultural Exchange Agreement.

To highlight the importance of the system of the River Plate Basin, especially for Argentina and Brazil, within the framework of the implementation of the Paraguay-Parana River highway.

To reiterate the need to develop a closer coordination in order to make the fight against terrorism, smuggling,

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drug trafficking and its connected crimes such as money laundering, the trafficking of weapons, and others more efficient.

To promote the utmost cooperation between tax collecting organizations, customs, the security forces, and the Argentine and Brazilian Interior Ministries and Justice Ministries in order to fight tax evasion, smuggling, drug trafficking, the trafficking of weapons, and money laundering that is provoked especially by these activities and corruption.

To hold in October 1996 the Second Hemispheric Conference of Defense Ministers in San Carlos de Bariloche in order to contribute to the dialogue on the topics of security and defense.

To renew their confidence in that there will be a favorable decision to establish a permanent secretariat for the Antarctic Treaty, with Buenos Aires as its seat, be adopted in the near future by the consultative parties of the treaty.

To note with satisfaction the significant advances in the negotiations that are taking place to establish a free trade zone between Mercosur and Chile.

Argentina: Army Sees General's Speech as 'Retrogression'

PY0904205196 Buenos Aires LA NACION in Spanish 6 Apr 96 p 8

[Article by Eduardo Barcelona]

[FBIS Translated Text] The Army has assessed the speech delivered by General Mario Diaz, chairman of the Joint Chiefs of Staff, [during the ceremony marking the 14th anniversary of the invasion of the Falklands] vindicating the countersubversive struggle as "a retrogression" vis-a-vis the progress General Martin Balza, [chief of staff of the Army] has made over the last few years.

The Army's concern lies in the fact that the public has been misled into thinking that Gen. Diaz' ideas are shared by all the military without discriminating between Gen. Diaz, who chairs another military organization, and the Army.

Gen. Diaz said, during the ceremony held on 2 April, that he also paid tribute to "those who fell in and veterans of the war against subversion, who gave up their lives to rout that scourge that was undermining the very essence of our institutions."

The Army is of the opinion that Gen. Diaz "made a complete muck-up" of the "pacification endeavors Gen. Balza was making."

All military analysts underscored the contrast between Gen. Diaz' and Gen. Balza's styles from the start, but the military's concern about the implications of Gen. Diaz' speech at the war memorial in San Martin Square had not yet been ventilated.

A military analyst told LA NACION that the malaise in the Army is not only due to the fact that Gen. Diaz "put everything into reverse," but also because he did not condemn the coup d'etat staged on 24 March 1976 as a violation of the Constitution.

It is said within the Army that "had he condemned the coup, he would have balanced things." Still, a condemnation of the toppling of a democratic government from power was conspicuous by its absence in the address of the chairman of the Joint Chiefs of Staff.

Another reproof made within the Army to distance itself from Gen. Diaz' stance concerns the timeliness of his remarks mixing the ones who died in battle in the Malvinas Islands with the victims of subversion. It is argued that "it was not the appropriate moment to unfurl that banner, especially when efforts are being made to mend the injuries ensuing from the military regime."

Reliable sources close to the Defense Ministry and to the Joint Chiefs of Staff are of one mind about the fact that two persons helped Gen. Diaz to draft his speech: namely, Rear Admiral Carlos Heredia, vice chairman of the Joint Chiefs of Staff, and General Hector Giralda, who until some months ago was deputy commander of the 5th Army Corps stationed in Bahia Blanca.

Although the federal government is proceeding with caution and has refrained from criticizing Gen. Diaz' address, the opposition, led by the Frepaso [Front for a Country in Solidarity], has adopted a sterner stance, demanding that Gen. Diaz be sent into retirement.

Army spokesmen stated that Chacho Alvarez' followers within the Frepaso — a party which is not very friendly with the Armed Forces — may bring round the Radical Civic Union — a party which has always exercised extreme caution in dealing with the subject of the Armed Forces — so that it sides with them.

Argentina: Poll Indicates Cavallo's Popularity Decreasing

PY1004003696 Buenos Aires LA PRENSA in Spanish 6 Apr 96 p 5

[All percentages as published]

[FBIS Translated Excerpt] Although Economy Minister Domingo Cavallo's positive image in Argentine society has decreased to 26 percent, 62 percent of the population consider that it is convenient that he should remain in

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his post. This was revealed by a poll, in which 1,000 persons in the federal capital and greater Buenos Aires were consulted, carried out by the Union Studies Center for the New Majority during the first week of April.

According to the poll, 24 percent of society have a positive image of Cavallo, 46 percent have an image that is directly negative, and 4 percent replied that they had no opinion.

In political terms, 41 percent those who still believe that the minister's image remains positive voted for the Justicialist Party (PJ) during the last elections that were held on 14 May, 8 percent voted for the Radical Civic Union (UCR), and 7 percent voted for the Front for a Country in Solidarity (Frepaso).

Of those who believe that Cavallo's image is negative, 68 percent voted for the UCR, 66 percent voted for Frepaso, and only 25 percent voted for the PJ.

When asked whether it was convenient for Cavallo to remain in his post, 62 percent of those who were polled rejected that possibility because they considered it inconvenient; 23 percent expressed their satisfaction; and 15 percent said they had no opinion. According to the voting during the last presidential elections, 74 percent who believe that it is not convenient for Cavallo to leave his post voted for the PJ, 55 percent voted for the UCR, and 51 percent for Frepaso.

Of those who believe that it is convenient for Cavallo to leave the ministry, 35 percent voted for Frepaso, 25 percent for the UCR, and only 13 percent for the PJ. [passage omitted]

Argentina: New Cabinet Chief Rodriguez Interviewed

PY0904210296 Buenos Aires LA NACION in Spanish 7 Apr 96 p 10

[Interview with Chief of Cabinet Jorge Rodriguez by LA NACION reporter Mariano Obarrio; place and date not given]

[FBIS Translated Text] [Obarrio] What similarities and differences are there between you and [your predecessor Eduardo] Bauza?

[Rodriguez] Similarities? Loyalty to the president, the search for dialogue and consensus. Differences? Our political background and how we became close to the head of state. I am going to adopt a style that will incorporate part of Bauza's previous style.

[Obarrio] When he was secretary general of the presidency?

[Rodriguez] Yes, a style that is characterized by trying to lean more upon ministers.

[Obarrio] Will you, therefore, change the profile of the Office of the Chief of Cabinet?

[Rodriguez] I do not know. That is the idea.... We will then see how we will state it explicitly. I will seek to coordinate, implement, and execute with effectiveness the decisions that the cabinet and the president have been proposing for some time — to kick off and expedite the privatizations and what ranks foremost among the president's concerns — and ours, too — namely, employment.

[Obarrio] What will be your priorities as chief of staff?

[Rodriguez] To set into motion the Employment Council, the reform of the state and of the provinces, the revenue-sharing scheme.

[Obarrio] Do you envisage that the Employment Council will have a long and useful life?

[Rodriguez] One should not have high expectations of solving all problems in the first meetings. The important thing is that the players get together to formulate ideas that will help resolve those problems.

[Obarrio] Will [Economy Minister Domingo] Cavallo participate in these meetings?

[Rodriguez] All ministers will.

[Obarrio] Have you already discussed it with Cavallo?

[Rodriguez] Yes, but all areas will be participating in these meetings.

[Obarrio] Still, [President Carlos] Menem was very clear with Cavallo. The head of state tasked him with lowering interest rates.

[Rodriguez] Interest rates may seem to be a subject that belongs exclusively to the financial domain, and yet it does not.

[Obarrio] What is the solution?

[Rodriguez] We, Argentines, ought to make strides in something that is inside us — the Italian model. The spawning of small and medium-sized enterprises, which manufactured extremely high quality products, is what strengthened the Italian economy.

[Obarrio] Will Menem lean upon you in the implementation of specific political decisions of the executive branch, as was the case with Bauza?

[Rodriguez] No. All political decisions were made by Menem, even when Bauza was in office. There will be different levels of dialogue.

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[Obarrio] Bauza was deemed Menem's second in command. Will you now occupy his place?

[Rodriguez] There is no second in command. The only power is the one vested in the people pursuant to the Constitution and the laws, which is delegated to the president of the Republic, who is empowered with the entire administration of the country.

[Obarrio] Will there be fewer fights within the cabinet when you assume office?

[Rodriguez] What is termed "infighting" within the administration is the fruit of the passion that impels men who are politicians to solve problems confronting our society. Government officials give vent to their passion in arguments. This reflects their total vocation to serve the public.

[Obarrio] Will you be able to mediate in the fights or arguments between Cavallo and other ministers?

[Rodriguez] I would not call them fights, but rather different points of view. Following the experiences we have had, each minister will voice his opinion and put forward proposals in an appropriate manner.

[Obarrio] Are you not afraid that the IBM-Argentine National Bank affair will cause shock waves that will spread to the administration just after your installation?

[Rodriguez] In the face of any crime, the public is interested in having those guilty of that crime — irrespective of who they are — punished. This is very healthy for the democratic system. The president is the person who is most interested in having this whole affair cleared up, regardless of who is found guilty.

[Obarrio] Cavallo claimed that mafias were operating in Argentina. Do you share his views?

[Rodriguez] I do not know them. It is incumbent upon Cavallo to clarify what he means by that.

Argentina: Effects of Convertibility Plan Viewed

PY0904221296 Buenos Aires CLARIN in Spanish 9 Apr 96 p 14

[Editorial: "Interplay of Light and Shade in Convertibility"]

[FBIS Translated Text] The fifth anniversary of the convertibility plan can be assessed in terms of an interplay of strikingly manifested light and shade.

Curbing an inflationary process which lasted for decades, which witnessed bouts of rampant inflation, and which seriously damaged the productive process and family budgets, has undoubtedly been the most significant contribution of convertibility.

Price stabilization enabled, for the first time in many years, businesses to plan their indebtedness, and to foresee and plan investments. The easing of uncertainties over the Argentine currency stimulated credit, which in turn boosted consumption and production.

Unlike what happened with previous attempts to control inflation, the success of convertibility has had a lasting effect. Over the past 12 months, the cost of living rose by 0.2 percent. Argentina thus become the country with the lowest inflation in the world.

The seamy side of convertibility is, unquestionably, an increase in unemployment due to the fact that in the first four years of the program, the economy did not grow fast enough to absorb the demand for jobs. Last year, unemployment reached an all-time high of 18.6 percent. Although it has now dipped by two percentage points, the level of unemployment is still too high.

The administration expected that the upswing in economic activity this year would reduce unemployment, and yet the much sought-for economic upturn does not seem to materialize. Notwithstanding the positive signs seen last year — like the recovery of bank deposits — consumption and production have not picked up following the mistrust that arose from the conflicts that burst within the top echelons of the administration. Argentina's GDP fell by 4.4 percent last year. This is twice as high as official projections. The latest estimates entertained by the Economy Ministry show the upturn in economic activity will start in the second half of 1996. Meanwhile, the private sector and the Argentine Industrial Union have less optimistic expectations.

Last year's slump affected the fiscal balance, which began to show a deficit that seems difficult to balance again. Fiscal needs, in turn, caused an increase in the debt-GDP ratio.

Over the last few weeks, the administration announced and set into motion measures to boost demand. The sluggish economy demands more resolute measures to mobilize productive resources, create new jobs, and put the financial house in order — objectives which are as crucial as price stabilization.

Argentina: U.S.-Proposed 'Industrial Secrets' Bill Viewed

PY0904210596 Buenos Aires TELAM in Spanish 0040 GMT 9 Apr 96

[FBIS Translated Text] Buenos Aires, 8 Apr (TELAM) — Chamber of Deputies President Alberto Pierri and [Chamber of Deputies] Industry Committee Chairman Humberto Roggero today met a group of U.S. congressmen who asked for the approval of a bill protecting in-

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dustrial secrets, a bill described as Confidentiality [Confidencialidad].

Congressional sources reported in addition that Pierri, Roggero, and the Industry Committee members also discussed the Patent Law with Republican Carlos Moorhead, Courts and Intellectual Property Subcommittee chairman.

After the meeting in the Chamber of Deputies president's office, Roggero noted that the U.S. delegation "kindly asked" the deputies to review the Confidentiality bill that was sent by the executive branch last week.

The PEN [National Executive Branch] bill has been designed to protect industrial secrets for a six-year period, counting from the date of issuance of an authorization to market a product.

Roggero emphasized that the bill, proposing regulations on enterprise secrets involving the formulas and manufacturing processes of their products, will be reviewed by the Industry Committee "next week."

Roggero noted that the PEN bill "is something new," as it includes issues such as "piracy of software, videos [preceding two words in English], and video games." He added that this bill is linked to the Patent Law approved in Congress.

Concerning the Patent Law, Pierri pointed out: "Many people believed this bill did not meet the goals for which it was drafted." He noted: "This is not so, as it managed to reconcile conflictive interests."

Pierri recounted that Congress "heard all the sectors involved in this issue" before approving the bill on Patterns of Use and Invention Patents [Modelos de Utilidad y Patentes de Invencion].

Roggero said they would hold another meeting with the U.S. congressmen, "but we did not set a date." He indicated: "We want to carefully review the bill and its scope before discussing it in Congress."

The delegation, headed by Moorhead and accompanied by U.S. Ambassador James Cheek, also included Representative Patricia Schroeder; Representative Tom Bevill; and James Schroeder, U.S. Agriculture Department deputy under secretary for farm and foreign agricultural services.

Argentina: Menem, Cardoso Stress Integration, Mercosur

PY0904155396 Buenos Aires TELAM in Spanish 1031 GMT 9 Apr 96

[FBIS Translated Text] Argentine President Carlos Menem and Brazilian President Fernando Cardoso dined together last night. During the meeting, Menem said that Mercosur [Common Market of the South] encourages us to think in terms of a long-term strategic vision.

"The formidable integration process that we started in the region is not only a simple and ambitious commercial project; it encourages a political idea and a long-term strategic vision," Menem said during the reception in honor of the Brazilian president.

Menem defended the value of integration by saying that "today no nation can contemplate a wide horizon for its people if it operates alone."

The Argentine president said that regional integration "has given Argentina a chance of becoming increasingly free, more pluralist, and more just, showing more solidarity and becoming stronger and richer."

Thanks to this, Argentina "is respected around the world," the Argentine president said during his impromptu speech at the dinner at the Albear Hotel, in this capital.

"We elected our own partners from the day we started living in democracy," Menem emphasized, adding: "We chose Brazil from a group of options."

President Cardoso, in turn, said that "Mercosur is a valuable experience for other regions of the world."

"Our nations are making progress in all complementary aspects of our economies and our peoples," the Brazilian president stressed.

Participating in the dinner were Argentine Foreign Minister Guido Di Tella, Brazilian Foreign Minister Felipe Lampreia, and the two countries' ambassadors: Alieto Guadagni [Argentina] and Marcos Castrioto de Azambuja [Brazil].

Also participating were new Chief of Cabinet Jorge Rodriguez, Education Minister Susana Decibe, Senator Eduardo Menem, and Defense Minister Oscar Camilion.

Argentina: Di Tella Emphasizes Cardoso Visit, Ties

PY0904172696 Buenos Aires TELAM in Spanish 1318 GMT 9 Apr 96

[FBIS Translated Text] Buenos Aires, 9 Apr (TELAM) — Foreign Minister Guido Di Tella today emphasized the significance of Brazilian President Fernando Henrique Cardoso's visit to Argentina. Di Tella emphasized the level of cordiality and confidence achieved in the relationship between the two countries.

In reviewing the relationship between Argentina and Brazil, the foreign minister told Radio Del Plata: "This visit is progressing very, very well. We are reaping what we have been sowing over the past few years."

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Di Tella recounted: "In 1978, Argentina was involved in very serious conflicts with its two principal neighbors: Chile, on the one hand, and Brazil, on the other hand. With Brazil, the conflict involved the Itaipu (dam) issue."

In reviewing the Mercosur [Common Market of the South], the foreign minister noted: "Less than 20 years have elapsed and the relationship involves cordiality, confidence, and even sharing a common market."

Di Tella emphasized that, "in two very significant speeches," President Fernando Cardoso and President Carlos Menem yesterday "discussed the political repercussions extending beyond economic agreements."

The foreign minister was asked about the possibility of Argentine enterprises receiving a preferential treatment in the process of privatizations that will be implemented in Brazil.

After indicating that this issue "is under discussion," Di Tella noted that "we did not discuss a preferential treatment, but Argentines will have all the chances" of investing in that process."

With regard to the car import quota imposed by Brazil, the foreign minister emphasized: "Some things still have to be discussed, but (this issue) has been totally overcome."

Changing the subject, Di Tella noted: "Nuclear and space cooperation represents a major change in our relations with Brazil."

Di Tella emphasized: "These two agreements, one drawn up a few years ago and another one that will be signed today, represent a major change in the stance taken by the two countries on these issues."

Menem and Cardoso will hold a working meeting at the Olivos residence today. After the meeting, they will sign agreements of bilateral interest.

Argentina: Cardoso on Brazil's Role, Mercosur, Investment

PY0904210096 Madrid EFE in Spanish 1345 GMT 9 Apr 96

[FBIS Translated Text] Buenos Aires, 9 Apr (EFE) — Brazilian President Fernando Henrique Cardoso said here today that he intends to resort "to all possible means" to put his country "in a foremost position in the international community."

"We are preparing to become exporters at a world level, and to this end we want more technology, more basic education, more capital and democracy," Cardoso told EFE on the second day of his official visit to Argentina.

Cardoso added that Brazil's priority is to accelerate regional integration through the incorporation of new members into the Common Market of the South (Mercosur), in which Brazil is the partner of Uruguay, Argentina, and Paraguay.

"Continental integration is on the horizon, but for us, regional integration is the essential condition," Cardoso said.

He added that "it is central" to accelerate negotiations for Mercosur to sign an agreement with the European Union (EU).

In this regard, he said Brazil wants to promote ties with Spain.

Cardoso explained that his position is not against the spirit of the "Summit of the Americas" held in Miami in 1994, where most Latin American countries decided to create a free-trade zone embracing the entire continent.

"The presence of Chile and Bolivia will make Mercosur more dynamic — a pillar for Brazil and Argentina —" he emphasized.

The Brazilian president once again denied that he wants reelection.

"THe Brazilian Constitution does not permit it. I have started to govern, and I am not thinking of being relected. I would like to continue, if possible, with my current policy," he noted.

He emphasized that his country wants foreign investment to privatize the large public enterprises, in a process that "takes deep roots in Brazilian political traditions."

Brazil is undergoing "a change in its development level," which calls for foreign investment, more industrial competitiveness, and better distribution of income in order to mitigate poverty," he said.

"My main objective is to improve the Brazilian people's living standards. All other things are temporary measures, instruments for reaching that goal," he noted.

"We are a country that exports its products all over the world, and we are doing everything possible to expand our possibilities," he added.

In this regard, he said his government has made a great effort toward achieving regional integration and economic opening, enforcing a 40 percent reduction of tariffs, which average 12 percent.

"We will continue along this course," he went on, alluding to the need to liberalize the economy in order to promote the industrial reconversion and to increase exports.

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Argentina: Menem, Cardoso Sign Cooperation Agreements

PY0904233396 Buenos Aires TELAM in Spanish 1945 GMT 09 Apr 96

[FBIS Translated Text] Buenos Aires, 9 Apr (TELAM) — Argentine President Carlos Menem and Brazilian President Fernando Henrique Cardoso today signed bilateral agreements pertaining to the space, cultural, environmental, and technological sectors.

The agreements were signed at the Olivos Residence during a meeting of the two presidents. Argentine and Brazilian Government officials, and provincial and state governors also participated in the meeting.

Following are the main agreements that were signed by Menem and Cardoso:

1. A cooperation agreement pertaining to space topics that contemplates the use of the missile-launching platforms that Brazil has in the northern area of its territory.

The accord states that "the Brazilian Space Agency (EAB) and the National Space Activities Commission (Conea) will be named as the main agencies that will implement the agreement. If necessary, the agencies can name other organizations for the development of cooperation programs," according to the agreement

2. A protocol that is to be attached to the agreement for cultural exchange on educational integration for the training of human resources at the postgraduate level.

In its main article, the agreement indicates that "the objective is the training of human resources at the postgraduate level and the advancement of professors and researchers in specific sectors."

It adds that "a system of exchange will be created between the institutions that will permit the Brazilian and Argentine professors and researchers, working in areas of common research, to promote the training of human resources, especially at the doctorate level."

3. An agreement pertaining to Cooperation in Environmental matters. With this agreement, Argentina and Brazil will establish a "joint working group that will cooperate in environmental matters that will have the function of promoting and implementing what is contained in this agreement."

The document also maintains that "the working group will be headed by representatives from the two foreign ministries and as members it will have delegates from the Argentine Natural Resources and Human Environment Secretariat and the Brazilian Environment Ministry."

It adds that "the parties will try to obtain, either jointly or individually, the financial support through international sources, public organizations, and private entities in both countries, or third countries, for the implementation of the objectives that are contained in this agreement."

4. A Technical Cooperation Agreement. This agreement "has the objective of promoting technical cooperation in areas that the two countries consider to be priority objectives."

It includes the following sectors: "Agriculture, trade and investment, cooperation for development, education, and energy." It also adds: Institutional strengthening, industry, environment and natural resources, mining, small and medium-sized enterprises, health, and transports and communications."

5. Complementary Agreement to the Scientific and Technological Cooperation Agreement on Cooperation Activities between the Argentine Sciences and Technology Secretariat and the Brazilian state of Rio Grande do Sul.

The main articles of this complementary agreement state that "the equipment and materiel that will eventually be provided will be exempt in the two countries from all import and export tariffs, taxes, and obligations and under all circumstances for the implementation of sectorial programs and projects that are developed within the framework of this agreement and its complementary documents."

The agreements pertaining to physical integration include the document for the drafting of the master plan for the construction of the river highway (the overall integration of the River Plate Basin and interconnected waterways), roads, and bridges between the two countries.

The construction of the Santo Tome (Argentina)-Sao Borja (Brazil) bridge is included in this plan. The tenders for the bridge will be opened in May 1996.

There is also the protocol of intentions for the integration of the electricity systems for the development of joint projects, including the construction of the Parana-Uruguayana gas pipeline that will carry Argentine gas to the Garabi thermoelectrical plant.

An energy transformer will be installed in that plant in order to switch the electricity from 50 to 60 cycles so that Argentina can export electricity to the southern area of Brazil.

Finally, it was agreed that a permanent consultation group will be created to discuss strategic questions

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pertaining to regional security. The group will include the foreign ministers and those who are responsible for the defense sectors in the two countries and it will be managed by the political power.

Foreign Minister Guido Di Tella and Economy Minister Domingo Cavallo, in addition to Cabinet Chief Jorge Rodriguez, participated in the ceremony.

The governors of Buenos Aires Province, Eduardo Duhalde; Santa Fe Province, Jorge Obeid; Chaco Province, Angel Rozas; Formosa Province, Gildo Insfran; Corrientes Province, Raul Romero Feris; Entre Rios Province, Jorge Busti; and Mendoza Province, Arturo Lafalla also participated in the ceremony.

The governors from the Brazilian states of Bahia, Minas Gerais, Rio Grande do Sul, and Santa Catarina were also in attendance.

Argentina: Passports Sales Via Internet To Be Investigated

PY0904172296 Buenos Aires TELAM in Spanish 1433 GMT 9 Apr 96

[FBIS Translated Text] Buenos Aires, 9 Apr (TELAM) — Foreign Minister Guido Di Tella said today that the government will investigate the offer made by a company based in Panama to sell future Argentine passports through Internet.

"We will take all the necessary steps. I have already discussed the matter with our people and we will see if the information is true," Di Tella told Radio del Plata.

A report published by LA NACION says that the company Privacy Tools, based in Panama, offers to sell, via Internet, the future Argentine passport at $32,000.

The newspaper says that the offer was discovered by the Argentine Embassy in Egypt. This embassy observed the announcement at the address http://www.tax-bomber:com.

The supplier, called Privacy Tools Inc., is listed as having the address P.O. Box 87-2394, Panama.

Argentine Embassy officials in Egypt then conveyed their concern to the Foreign Ministry, which will continue the investigation.

"First, we will investigate what is behind the news. Then we will take all the necessary steps because we do not have the slightest interest in reversing the measure" allowing us to enter the United States without a visa, the foreign minister said.

Argentina: Di Tella To Meet UK Foreign Secretary 13 Apr

PY1004023196 Buenos Aires TELAM in Spanish 2334 GMT 9 Apr 96

[FBIS Translated Text] Buenos Aires, 9 Apr (TELAM) — The Foreign Ministry announced today that Foreign Minister Guido Di Tella and UK Foreign Secretary Malcolm Rifkind will meet at the Iguazu Falls on 13 April to analyze the subject of fishing in the South Atlantic.

A Foreign Ministry spokesman said: "Di Tella and Rifkind will discuss questions of interest to both countries and will surely broach the subject of fishing in the South Atlantic."

Di Tella will travel to the United States on Monday, 15 April to lodge a complaint with the United Nations on behalf of Argentina about Britain's decision to collect licenses from fishing vessels operating in the South Georgia and South Sandwich Island waters.

Prior to that, the foreign minister will travel to Bolivia on 14 April to hold talks with his Rio Group counterparts, who will start their deliberations in Cochabamba this coming weekend.

The source stated that Di Tella will denounce before UN Secretary General Butrus Butrus-Ghali Britain's unilateral decision as a violation of Argentina's sovereign rights and of the Convention on the Conservation of Antarctic Marine Living Resources.

The foreign minister will also submit a complaint to UN Security Council Chair Juan Somalia, who is Chilean.

Moreover, Di Tella will hold a meeting with the chairman of the UN Decolonization Committee, which has recognized Argentina's rights to sovereignty over the Malvinas Islands and recommended that Great Britain should negotiate the question of sovereignty over the islands to put an end to the hindrance to international relations, which colonialism represents.

The head of the Foreign Ministry will expound Argentina's stance on this issue to OAS Secretary General Cesar Gaviria.

The meeting between Rifkind and Di Tella will mark the resumption of talks between Britain and Argentina about fishing, which were interrupted following the enforcement of Britain's unilateral decision to collect fishing licenses from vessels operating in the South Atlantic.

The latest meeting to negotiate a long-term fishing agreement was held in Buenos Aires on 29 February 1996. No further contacts have been made since then.

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The meeting between Di Tella and Rifkind was coordinated by the Argentine Foreign Ministry and the UK Foreign Office taking advantage of the tour the UK foreign secretary is making of the Southern Cone countries, including Brazil.

The same source reported: "In the light of the UK foreign secretary's manifested interest in touring the Iguazu Falls on the Argentine side, it was considered that this would be an excellent occasion to organize a meeting between Di Tella and Rifkind."

The foreign minister will attend the meeting accompanied by International Relations Under Secretary Guillermo Gonzalez, who heads the Argentine group that is negotiating the fishing agreement with Britain.

Concluding, the source declared: "Di Tella and Rifkind will first have a private meeting, which will last for approximately one hour, and then they will have lunch with their aides to broaden dialogue."

Argentina: Foreign Minister on South Atlantic Strategy

96SM0213A Buenos Aires LA NACION in Spanish 16 Mar 96 p 7

[Article by Foreign Minister Guido Di Tella: "Basic Components of Our Strategy in the South Atlantic"]

[FBIS Translated Text] Until the Malvinas War and in particular since 1965, our country pursued a strategy towards the islands that was very similar to the one that the British, and after them the Argentine press, mistakenly dubbed a "charm offensive."

This embryonic "policy of rapprochement," as I prefer to call it, was conducted in the field of communications (LADE [State Airlines] flights between the islands and the mainland), in the area of fuel supplies, and in education. Moreover, even though it was for the most part pursued against a backdrop that we could describe as the "old Argentina" (bans, authoritarianism, dictatorships, violence, a Third World viewpoint, and human rights violations), there is evidence that London made significant gestures indicating its intention of transferring sovereignty over the islands (the Chalfont and Ridley missions), so much so that back then the residents of the islands were denied British passports as a precautionary measure.

The war and our defeat altered this landscape decisively, setting back Argentine interests and the possibility of a negotiated settlement of the conflict. At the same time, it became clearer than ever that diplomatic action and negotiations were the only channels that our country had available to assert its sovereign rights.

Given this unfavorable context, a major diplomatic success was scored in September 1982, while Juan Ramon Aguirre was foreign minister: The return of the issue to the UN at a time when the United Kingdom was endeavoring to impose the idea that the conflict over sovereignty had been resolved "by the war that the Argentines started and lost."

A law-based approach was thus reestablished, even if Argentina was extremely weak at the time and the domestic debate had not yet rid itself of certain cliches that had been emphasized during the war. People did not always clearly realize that Resolution 2065 was not equivalent to an acceptance of Argentine rights by the United Nations but rather to an acknowledgment that the conflict was over sovereignty. People did not always remember that the United Nations itself granted the United Kingdom the status of the islands' administrative power. In short, it was not always clear that we ought to proceed intelligently to assert our rights effectively, not just verbally, and that this meant realistically acknowledging the balance of power and the shifting international context, not in the sense of resigning ourselves but rather in order to pursue our strategy effectively.

Arising as they did from a markedly unrealistic attitude, the fishing accords that were promoted with Bulgaria and Russia in 1986 caused the biggest setback since the Malvinas War. The United Kingdom seized on this move (which entailed allowing East bloc fleets into the South Atlantic in the midst of the Cold War) and responded by extending the exclusive zone from 3 to 150 miles. It could thus be said that if in 1982 we lost the territory of the islands, in 1986 we lost the ocean around them. The paradoxical upshot of the 1986 initiative was the opening of the islands to fishing, the tremendous growth of their per capita output (one of the fastest in the hemisphere since then), and concurrently the revival of separatist desires among the islanders.

In the years after this setback little was done to further the assertion of our rights, unless we regard as progress the repeated raising of the issue in the UN General Assembly, which issued increasingly watered down resolutions.

Bilateral Negotiations

Moreover, the gains in the General Assembly had reached their limit. Using them as a base, we needed to pursue a more ambitious strategy, given that UN pronouncements are necessary but insufficient tools for having our country's demands met.

Argentina's new international status lent us fresh strength in foreign affairs, as we adopted a market

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economy that was open to the world and joined international financial and commercial organizations.

The Role of Congress

The new Argentina can negotiate with any country on an equal footing. This does not mean that we are ignoring the fact of existing asymmetries, but we also realize that such asymmetries will tend to level out as Argentina continues to pursue these policies.

And this has been the path that we have chosen, inasmuch as we have understood that the crucial decision-making bodies for a solution will be the British Parliament and the Argentine Congress and that after the war the will of the islanders has become a very important factor in London's eyes (inordinately important in comparison to their numbers).

It is my strong conviction that Argentine lawmakers and their counterparts in the United Kingdom have a clear awareness of their role.

A complex strategy had to be developed, one that included both strengthening Argentina's international status and adapting to new times in international organizations, while at the same time focusing on bilateral relations with the United Kingdom and on a rapprochement with the islanders.

We began by negotiating the resumption of diplomatic relations. The issue of sovereignty was covered by "an umbrella," which enabled us to make headway in other areas without renouncing our claim to a right that the other side rejects.

The web of relations created since diplomatic ties were resumed has given rise to a sort of British lobby linked to economic interests. In some cases this lobby is merely open to influence yet in others it forthrightly advocates the normalization and solution of the conflict in the South Atlantic and makes its opinion heard in British politics.

The fundamental fact has obviously not changed: Regardless of our arguments, Great Britain remains the occupying power that the United Nations recognizes as the administrator of the islands and it maintains this annoying status de facto and by force.

Even given this scenario, we have made more progress recently through the oil-exploration and development agreement in the South Atlantic than in the previous 163 years. Not only have we prevented the independent activities that the British sought for the islands, but also for the first time our country is going to be active in the disputed zones (while Great Britain does not engage in symmetrical activity), is going to monitor the conservation of resources and oil-related operations, and is going to secure economic benefits from the waters that we claim (one-fourth of the license fees that companies interested in oil development will be paying).

We also sought to make headway in fishing. Our country wants an agreement on scientific cooperation and the preservation of the fishing resources shared by the islands and mainland Argentina, which are economic assets that we ought to protect. In contrast, for the time being we reject Britain's push for broader accords.

In the case of South Georgia and the South Sandwich Islands, the United Kingdom's pattern of action has been similar to previous unilateral moves. There are differences, however. In this instance not only is it violating Argentine interests involved in the sovereignty dispute, but it is also ignoring the Convention for the Preservation of Living Antarctic Maritime Resources, to which both Great Britain and Argentina are party, along with many other States. Our country has denounced this violation; Chile is known to have done so as well, and other countries will likely do so at the next regular meeting of the convention in October. The anachronistic misuse of force pays less and less under the new international conditions.

Along with bilateral negotiations, we have adapted our policy in international organizations to the new circumstances, not altered it. Whereas from 1983 to 1989 we overused the UN Assembly, to declining effect, we now prefer to bolster our efforts in the Decolonization Committee, and I myself came before it to underscore Argentina's interests. The resolutions that we sponsored there were passed without opposition for the first time in the history of our claim.

In the OAS, support for Argentina's position has continued, including support from the group of English-speaking countries that belong to it. The Rio Group continues to back our claims, and since 1992 Chile has openly voiced its support for Argentina's demands, a development whose major significance ought to be acknowledged.

We are convinced that in order to achieve a solution in the Malvinas we must also strengthen our ties with the Western alliance, without detriment to the developing world, which has always echoed Argentina's claims.

Understanding the Islanders

One paragraph, finally, about the policy of rapprochement with the islanders. This is an extremely important aspect, but just one aspect, of our policy on the South Atlantic issue. I have already mentioned that developments after the 1982 war turned the islanders, to whom the United Kingdom had previously denied passports,

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into major players in a future solution, owing to the influence that they have acquired over the British Parliament on this issue. It is obvious that legally speaking we do not regard them as a party to our dispute with London, but it is equally obvious that we would foolish not to give political consideration to their existence and their influence, both in terms of bilateral relations with England and vis-a-vis the world that is watching us.

It would be naive to think that merely sending a few postcards or presents to the islanders is going to suddenly change their minds. Such actions are merely an example of proper behavior, symbols of a more important fact: Our commitment, to which we have given constitutional status, to respect the islanders' way of life and culture.

In conclusion, a positive solution to a 163-year old conflict requires calmness, intelligence, and steadfastness. It requires multifaceted action: Bilateral diplomacy, a rapprochement with the islanders, action in international organizations and forums, a strengthening of Argentina's institutions and economy, bolstering our prestige in the world, common ground at the regional level, and good alliances. We are working in all these areas, and personally I am profoundly and rationally committed to the settlement of an issue on which all Argentines have set our hearts.

Bolivia

Bolivia: Sanchez de Lozada on Antinarcotics Struggle, Aid

PY0904210796 La Paz LA RAZON in Spanish 31 Mar 96 p A3

[FBIS Translated Text] President Gonzalo Sanchez de Lozada said yesterday that Bolivia spends more to fight drug trafficking than any other country in the continent. Meanwhile, the foreign aid to help us, particularly from the United States, is gradually dropping.

"If I could stop spending on this fight, I could authorize the granting of higher salaries or implement more public works," the president told Radio Panamericana.

The president said that in view of the reduction of foreign aid to fight drug trafficking, it is necessary to go ahead with the capitalization of public companies and the reform of the pension system in order to have fresh funds and generate more internal savings.

"Bolivia is a very dependent country. Foreign aid is used for investments because Bolivia does not generate internal savings," Sanchez de Lozada pointed out.

Obligation

Sanchez de Lozada said that Bolivia will continue fighting drug trafficking, despite the fact that international cooperation is "dwindling," not as an answer to foreign pressures, but because it is an obligation before our own society if we want to prevent this scourge from controlling the country.

"We will continue our struggle. We will fulfill our obligation, but not because it is an imposition, and least of all because they give us money, which they do not in any case," the president said.

A Drug Traffickers Country?

The president said the government will not allow Bolivia to be characterized as a drug traffickers' country. "We will continue fighting this scourge with all we have" because it is affecting Bolivian youth, it can generate violence, and it could pave the way for the creation of drug trafficking mafias.

"Thank God Bolivia does not have a narco-guerrilla movement. Bolivia does not have the great cartels that dominate political parties or soccer clubs in other countries," the president said.

Bolivia: Foreign Minister Returns From OAS Meeting, ROK

PY0904171796 La Paz Radio Cadena Nacional Network in Spanish 1100 GMT 9 Apr 96

[FBIS Translated Excerpt] Public servants involved in corruption could be extradited from any point in the continent. This phrase is part of a document signed by OAS member countries in Venezuela last week. OAS members signed an agreement to fight corruption and facilitate the extradition of public servants who take illegal advantage of their position to become rich. The meeting was attended by Foreign Minister Antonio Aranibar, who explained the meaning of the resolution:

[Begin recording] This issue was included as an essential topic of the convention. This is one of the tools that will be used in the future to prosecute, domestically and internationally, anyone who committed a crime while in public office anywhere in the continent. [end recording]

Corruption is present in every country in the region due to the lack of political will to punish those with immunity or those who operate with impunity. In other countries in the continent public officials have become rich while in public office. Bolivia is no exception to this rule. But this crime is aimed against the democratic system. Therefore, representatives of governments of the Americas decided to sign this agreement facilitating

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the capture and imprisonment of anyone using public funds illegally. [passage omitted]

The Korean consortium Daewoo is interested in investing in the Bolivian railroad networks Andina and Oriental. The state recently handed these companies over to the Chilean company Cruz Blanca. Foreign Minister Antonio Aranibar released the information upon his return from his official visit to Korea, which lasted a few days.

Aranibar did not comment on shares distribution or the conditions for distributing profits between Enfe [National Railway Enterprise], Cruz Blanca, and possibly Daewoo.

Aranibar said the Korean Government and entrepreneurs showed interest in the South American bi-oceanic highways that cross Bolivia. Daewoo's highest expectation is to reach an agreement to participate in the interconnection of both railroad networks via the routes Aiquile-Santa Cruz or Santa Cruz-Sucre.

The Bolivian foreign minister attended a regional meeting in Venezuela and then traveled to Korea, where he and his counterpart evaluated the levels of the two countries' technical and economic cooperation and the framework of the two countries' political relations.

Brazil

Brazil: Minister Outlines Ideas on Money Laundering Bill

PY1004023896 Sao Paulo GAZETA MERCANTIL in Portuguese 30 Mar-1 Apr 96 pp A1, A14

[Report by Maria Clara R. M. de Prado in London]

[FBIS Translated Text] The federal administration does not want to wait for constitutional amendments to submit to Congress a proposal designed to render a "money laundering" financial operation a punishable crime. An alternative would be to create a commission charged with investigating suspicious operations that would be, in principle, linked to the Finance Ministry.

Justice Minister Nelson Jobim is returning today from Europe with new ideas about the fundamental issues that will probably be included in a draft ordinary law punishing "money laundering" that should be submitted to Congress this year. During talks held last week with experts on money laundering in Geneva, Bonn, and London, Jobim discussed issues that he would now take up with President Fernando Henrique Cardoso.

In remarks to GAZETA in London, Minister Jobim outlined his ideas on the subject. He said: "To create an agency perhaps would not be the best idea because it would entail creating an unnecessary structure within the administration. We would rather create a commission that would be charged with monitoring financial activities and that would consist of experts of the Central Bank, of Finance Ministry attorneys, of the Federal Revenue Secretariat, of the Securities and Exchange Commission (CVM), and of the Federal Police." Jobim explained that the lifting of bank secrecy will continue to be based on current procedures; that is, through court authorizations issued for each specific case.

In keeping with an interpretation of the Federal Supreme Court (STF) — which ruled that the bank secrecy rule may be lifted in some cases, such as when it became necessary to obtain data requested by members of a congressional investigating committee — the administration trusts that it "will be relatively" used. In any case, the lifting of bank secrecy cannot be widely used and is still subject to court authorization. To propose a constitutional amendment lifting bank secrecy at this time would only serve to delay the introduction to Congress of measures that could be implemented through ordinary laws.

After the talks he held in Europe, Jobim is convinced that the oversight commission to be created cannot limit its functions to monitoring banks. He said: "Those countries that adopted this type of legislation have observed for some time that money 'laundering' can be channeled through means other than banks. We also plan to encompass the capital market, pension funds, the real estate area, in sum, all of the areas through which money suspected of being drug-related could be channeled."

Jobim then touched on another important point. Instead of the law focusing generically on "money laundering" stemming from illegal activities, as was initially planned, he believes that it would be most appropriate to specifically mention what type of illegal activities are involved. He said: "I believe the law should not refer to unlawful actions in a broad sense because it would thus be confusing money laundering with other types of crimes, such as tax evasion, which has already been classified as a crime. Instead, we should endorse a theory that is already widespread around the world, which refers to illegal activities stemming from the drug trade, acts of terrorism, and corruption." Jobim also explained that the law, in addition to classifying the "laundering" crime, would establish punishments that should include the confiscation of assets belonging to criminals.

Another interesting aspect the Justice Ministry seeks to further is one that could pave the way for criminal proceedings. Jobim said: "The burden of proof that the money is not linked to any illegal action will fall on the suspect." This will expedite investigations by saving an

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enormous amount of time, which would otherwise have been necessary to track down the movement of money and to produce the evidence linking the suspect with the money."

Banks and other types of institutions or organizations affected by the oversight commission would be held liable if the Central Bank confirms that they have failed to comply with established guidelines, including information on their clients and operations. Jobim said: "This will cause banks to show utmost interest in reporting to the courts or to the oversight commission any type of irregular operation." The minister also noted that each bank will be empowered to freeze the account of a suspected client and will report the fact to the courts.

Meanwhile, any bank failing to report to the officials on the movement of money considered to be suspicious, will not be subjected to the provisions of the law on "money laundering," but to the provisions of standard criminal laws. This has been an important topic that Jobim discussed in Geneva with Paolo Bernarscone, the Swiss attorney general. Bernarscone, an expert in "money laundering," has managed to disclose many operations of the Italian Mafia. Jobim said: "He showed us that banks, in this case, ought to be seen as allies and aides to the government." He noted that the more help the government receives from the financial system, the more expeditious the investigations will be.

Jobim has an outline of the draft law that includes the information he collected last week in Europe. After the text of the draft law is finalized by the executive branch, it will be evaluated in a public hearing from 60 to 90 days for the purpose of allowing all sectors of society to criticize it or to make contributions to improve it. Only after this time frame elapses will the draft proposal be submitted to the Congress.

(The STF and the Superior Court of Justice have already ruled that the attorney general's office and the Federal Revenue Secretariat cannot demand that banks supply information on the movement of accounts without a court authorization.)

Brazil: Construction Companies To Draft Bids for PRC Plant

PY0904212896 Rio de Janeiro JORNAL DO BRASIL in Portuguese 3 Apr 96 p 17

[Article by Vladimir Netto]

[FBIS Translated Text] Brasilia — The Mendes Junior, Camargo Correa, Andrade Gutierrez, and CPO construction companies — which comprise the Unicom consortium — will draft the bid announcement for the construction in the PRC of the Three Gorges Hydroelectric Plant. This issue was discussed on 1 April between President Fernando Henrique Cardoso and State Counselor Luo Gan, secretary general of the Council of State of the PRC.

So far the participation of Brazilian enterprises is limited to drafting the bid for the construction, which will cost $17 billion. This price is one of the aspects of the transaction negotiated by President Cardoso during his visit to the PRC in December 1995. The drafting of the bid announcement is a victory for Brazilian diplomacy. The Council of State is the PRC's main administrative organization.

An Itamaraty (Brazilian Foreign Ministry headquarters) official said the fact that Brazilian enterprises will draft the announcement will not exclude them from participating in the construction of the hydroelectric plant, which will be the largest in the world. It will generate more energy than the Itaipu Dam. The Itamaraty diplomat said that the drafting of the bid is an advantage because, by establishing the rules of the game, Brazilian enterprises will know how to win it.

The Chinese believe Brazil's assistance is indispensable in view of its vast experience in the construction of large hydroelectric plants. Shi Dazhen, PRC minister of Electric Power Industry, will visit the Itaipu Hydroelectric Plant facilities in the company of Secretary General Luo Gan On 3 April.

The date for building the Three Gorges Hydroelectric Plant has not been set, but it is known that the project will be divided into several stages. Brazilian enterprises want to ensure participation in as many stages of the extremely expensive project as possible. The Mendes Junior Company is already participating in building a smaller hydroelectric plant in the south of the PRC, which is called Tianshenqiao. During his meeting with Cardoso, Luo Gan pointed out that this PRC program may be the pillar for further trade relations between the two countries.

Brazil: Army Exercises With Argentina Set for 1996

PY0904034796 Sao Paulo GAZETA MERCANTIL in Portuguese 4-7 Apr 96 p A6

[Report by Maria Helena Tachinardi in Brasilia]

[FBIS Translated Text] For the first time since 1865 — when Brazil, Argentina, and Uruguay formed the Triple Alliance during the war against Paraguay — the Brazilian and Argentine armies will conduct joint exercises. Argentine Ambassador to Brasilia Alieto Guadagni said yesterday: "This means that the two countries have once and for all ruled out the possibility

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of a conflict arising between them." He added: "The Brazilian-Argentine alliance goes beyond the financial and trade areas."

Military training will be possible through the signing, on 9 April, of a presidential document on cooperation in the areas of security and defense. The Argentine side is considering this document to be one of the highlights of President Fernando Henrique Cardoso's visit to Buenos Aires starting on 8 April.

According to Itamaraty (Brazilian Foreign Ministry headquarters), the subject of defense and security will not be included in an specific agreement, but will be mentioned in the joint declaration Cardoso and his Argentine counterpart Carlos Menem are scheduled to sign. Guadagni said that the first training exercise will be conducted in Argentine territory this year. For this type of exercise to be conducted in Brazil, the Congress must give a special authorization, but this is not required by Argentine law.

Beyond its symbolic significance, this initiative will serve a practical purpose: The two countries will expand training for jointly taking part in UN peacekeeping operations. The Brazilian and Argentine naval forces are already conducting joint maneuvers.

Commenting on the unprecedented advanced stage of integration between the two countries, a Brazilian diplomatic source said: "Argentina represents a true strategic alliance for Brazil." The agreements to be signed "will set patterns" for expanding trade.

Ambassador Luiz Augusto Castro Neves, chief of the Brazilian Foreign Ministry Americas department, noted — for instance — that the nuclear working group, which will be installed in Buenos Aires within three or four months, would outline specific projects for scientific and industrial cooperation, including those concerning production of radioisotopes for use in medicine and agriculture.

A memorandum of understanding for physical integration will be instrumental in facilitating the movement of people and merchandise through the borders, and will permit "the putting to use" of a bridge built over the Santo Antonio River, linking Andrecito to Capanema (Parana State).

According to Castro Neves, local communities built the bridge with their own resources. Yet, the bridge — which was built two and half years ago — has not yet been used due to a lack of facilities and of federal officials needed to perform customs and related duties in a border area.

The construction of the first binational hydroelectric plant between Brazil and Argentina will be guaranteed through an integration protocol to be signed on 9 April by Foreign Ministers Luiz Felipe Lampreia and Guido Di Tella. The Garabi plant will be built on the Uruguay River by private companies from both countries, which will also build a converter unit to pave the way for the sale of Argentine surplus energy to Brazil and vice versa. According to Guadagni, the two governments are going to create legal conditions for the construction of the Rio Grande do Sul gas pipeline that will link Entre Rios Province and Uruguaiana.

An agreement on space cooperation will seek to make the space programs from the two countries yield the best possible results in terms of costs and will pave the way for the participation of Mercosur [Common Market of the South] industries in space activities. Brazil and Argentina seek to build joint satellites and launch them from the Alcantara Base (Maranhao).

An environmental agreement will set up "an institutional pattern" for the drafting of regulations and common rules to be applied regarding the construction of hydroelectric plants and other projects that are likely to have an impact on the environment.

The two foreign ministers will also sign a technical cooperation agreement that will envisage the creation of a joint commission. An additional protocol to the cultural exchange between CAPES [Council for Advanced Professional Training] and the Argentine Secretariat for University Policies will expand programs for training of human resources.

Cardoso is due to arrive in Buenos Aires in the evening of 7 April. His entourage will consist of six ministers, four governors, and a senator. Although this will be his fifth visit to Argentina since his inauguration, it will be the first time he will be accorded "the grand, pompous welcome" that usually surrounds a state visit.

Brazil: Petition To Create CPI on Sivam Approved

PY1004021796 Sao Paulo FOLHA DE SAO PAULO in Portuguese 4 Apr 96 Section 1 p 12

[Article by Lucas Figueiredo]

[FBIS Translated Text] A petition to create a CPI [Congressional Investigation Committee] presented by Deputy Arlindo Chinaglia (PT-SP) [Workers Party-Sao Paulo] to investigate the Sivam (Amazon Region Surveillance System) was approved by 182 deputies (11 more than what was necessary).

The CPI on the Sivam, however, must wait for many CPIs waiting in line to be installed. Therefore, it will be difficult for the investigations to begin this year.

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Internal congressional rules allow only five CPIs at the most to operate simultaneously during a Congress term.

There are two existing CPIs (investigating medicine and pension funds) and 14 others waiting in line. The CPI on the Sivam is fifteenth in line.

Arlindo Chinaglia said he will ask Chamber of Deputies President Luis Eduardo Magalhaes (PFL) [Liberal Front Party] to order the immediate investigation of the Sivam irregularities.

"The Chamber of Deputies cannot play the same sad role of the Senate," Chinaglia said.

He was referring to the Sivam investigation started by the senators.

In November, the Senate installed a special committee to investigate the irregularities in the process to select the companies that would participate in the Amazon radar project — the Brazilian company ESCA [Automation and Control Systems Engineering] and the American company Raytheon (which will supply the equipment).

The Senate investigation was motivated by an auditing control by the TCU [National Accounting Office] which raised suspicions on the management of the project conceived by the Aeronautics Ministry.

During the investigation, the special committee chairman, Senator Antonio Carlos Magalhaes (PFL-BA) [Bahia], even said that the Sivam was "dead."

However, the Sivam project ended by being endorsed by the special committee and it is still waiting for approval in the Senate, where the tendency is to approve the $1.4 billion military budget.

Chinaglia has prepared a strategy in case the Chamber of Deputies president does not support the investigation by placing the CPI on the Sivam in the "line" of CPIs.

"We will promote a movement to make the next Chamber of Deputies president adopt a position regarding the CPI on the Sivam in anticipation," he said.

Chinaglia said that Luis Eduardo Magalhaes "will protect the administration" if he does not endorse the investigation.

Luis Eduardo Magalhaes' mandate at the head of the Chamber of Deputies has been extended until the beginning of next year.

The PT's idea is to take advantage of the atmosphere of discord during the period when the next Chamber of Deputies president has to be chosen to seek the support of the candidates to president of the lower house for the CPI on the Sivam.

Last week, Luis Eduardo Magalhaes did not support a CPI to investigate the financial system.

The investigation of the financial system was requested by 190 deputies, but Luis Eduardo Magalhaes prevented the installation of the CPI by placing the petition at the end of the line of CPIs.

Brazil: Canada, Russia Interested in Supplying Uranium

PY0904002796 Rio de Janeiro JORNAL DO BRASIL in Portuguese 7 Apr 96 p 6

[Report by Tania Malheiros]

[FBIS Translated Text] The Brazilian nuclear sector is now high on the agenda of several countries. Canadians are seeking to sell yellow cake (uranium concentrate used to produce fuel) for the Angra-1 and Angra-2 nuclear plants because Brazil is in short supply of it. The uranium deposit of the Pocos de Caldas Industrial Complex (CIPC) of the Nuclear Industries of Brazil (INB), in Minas Gerais, where natural uranium is converted into yellow cake, is practically depleted. To resume production, Brazil will have to open another mine in Lagoa Real, Bahia State, which would take from three to four years, when the administration expects to put Angra-2 into operation.

Canada, which has the world's largest uranium reserve and an abundant production of yellow cake, is aware of the Brazilian problem and is seeking to sell yellow cake to Brazil. Two weeks ago, representatives of the Canadian private group Cameco discreetly held talks with Brazilian nuclear officials in Brasilia and Rio de Janeiro.

The Strategic Affairs Secretariat (SAE) and the National Nuclear Energy Commission (CNEN) are studying Cameco's intentions. Yet, nothing can be decided without the signing of a cooperation agreement for the peaceful use of nuclear energy between Brazil and Canada, with the participation of the Austria-based International Atomic Energy Agency (IAEA).

According to a senior SAE official, if the agreement is signed, Brazil and Canada could conclude several partnerships in the area of technological research. The sale of Canadian yellow cake to Brazil would depend on its price on the international market.

The SAE official noted that Russia has an oversupply of yellow cake and has made several sales at prices that are much more attractive than those of Canada. Furthermore, Brazil and Russia signed a nuclear cooperation agreement more than a year ago. He noted, however, that the purchase of Canadian yellow cake should

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not be ruled out, especially if the two countries sign an agreement and Cameco makes a more attractive offer. Accustomed to paying attention to every detail, the Cameco representatives will probably return to Brazil soon.

Brazil: Editorial Calls Draft Patent Bill 'Aberration'

PY0904204696 Sao Paulo FOLHA DE SAO PAULO in Portuguese 7 Apr 96 Section 1 p 2

[Editorial: "Patent Aberration"]

[FBIS Translated Text] Under pressure from the executive branch, Congress could approve an unfair patent bill which surpasses the requirements of international organizations like the WTO.

Brazil is certainly not interested in ignoring international standards of economic coexistence. In some aspects, it is desirable for Brazil to define broader criterion of intellectual property rights. However, the alternate bill presented by Senator Fernando Bezerra (PMDB-RN) [Brazilian Democratic Movement Party-Rio Grande do Norte], which is awaiting approval at the Chamber of Deputies, goes considerably beyond what could be considered a sensible, non- nationalist position.

Going against concepts widely accepted and applied in the rest of the world, a patent will become in Brazil a right to prevent the production and even importation of certain products.

This bill therefore harms the internationally consecrated concept of "compulsory license" by which the patent owner is obligated to either produce the product within a determined period of time, for example one year, or at least demonstrate having adopted measures to produce it.

The criteria for this is obvious: The interest of a country in granting patent rights lies not only in the progress of its industry and scientific research, but also in the improvement of the goods and services offered to the population.

Senator Bezerra's alternate bill not only un-obliges the patent owner from producing the product in Brazil but also grants him a monopolistic power to import the product. With the approval of such shameful market reserve, large pharmaceutical laboratories will be able to impose on Brazilian consumers more expensive or obsolete products, without fearing competition or allowing new investments in Brazil.

Beside, the bill incorporates a retroactive mechanism, the "pipeline" [preceding word in English] which is defended only by the United States and rejected by the WTO. Products that were patented five years ago, before the approval of the law in Brazil, can still be patented here. Argentina, whose diplomatic siding with the United States is well known, not only rejected the retroactivity clause but also established an 8-year period before the patent bill comes into full effect.

As if these aberrations were not enough, the alternate bill enters into the risky field of patenting live beings. The implications of patents in the field of biotechnology are as yet unknown in the whole world. It deals with the possibility that laboratories or corporations "own" a certain species or breed.

The fear that this possibility inspires is not groundless. A month ago, Scottish scientists announced the successful cloning of sheep. This indicates the possibility of producing thousands of identical beings. In 1993, the U.S. Trade Department wanted to patent the genetic sequence of an indigenous Panamanian woman, but retreated in face of the protests it generated.

Moreover, as an aggravating factor, unilateral sanctions imposed by the United States to pressure for these items in law are condemned by international law. Instead of pressuring the WTO to act against such abuse, Brazil has given in, accepting the role of a transgressor which really corresponds to the United States.

Brazil: Portuguese PM Guterres on Bilateral Relations

PY1004021596 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 7 Apr 96 p A6

[Interview with Portuguese Prime Minister Antonio Guterres in Lisbon by Cristina R. Duran — date not given]

[FBIS Translated Text] [Duran] During your election campaign you said Brazil will be a foreign policy priority during your administration. What has been done since your installation?

[Guterres] It is one of the important innovations of this administration. Some 10 years ago, when Portugal opted for Europe, we were excessively concerned with our integration. It must be recalled that we have very old and affectionate ties with Brazil. However, we do not have enough concrete facts in the cultural, social, or economic fields. I want to radically modify this by recalling that the opening of the European market has led Portugal to seek development alternatives outside Europe. The agreement signed between the EU and Mercosur [Common Market of the South] in Madrid further upgraded relations between Portugal and Brazil, as a point of exchange between the two blocs. We are making great efforts to motivate our businessmen. We are

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dedicated to the cooperation project between Portugal Telecom and Telebras [Brazilian Telecommunications, Inc.] so as to improve communications between Europe and the south. We have made an effort to solve some problems that affected relations between the two countries. For example, the special legalization process for Portuguese-speaking immigrants who illegally live in Portugal will benefit Brazilians. We also adopted several measures, which have been successful, to normalize the passage of Brazilian citizens through Portuguese borders. This administration is permanently concerned with improving the situation of Brazilian professionals who work in Portugal despite restrictions and difficulties that followed our integration with Europe.

[Duran] But some internal problems like those with Brazilian dentists and the equivalence of Brazilian professional degrees in Portugal still persist.

[Guterres] This week we will publish a bilateral memorandum of understanding on the practice of dentists. It will include a list of the professionals who can work in Portugal. We intend to tackle other pending problems and establish a persuasive dialogue with professional associations.

[Duran] You are going to Brazil with good political, cultural, and economic intentions. What do you expect to bring back in exchange?

[Guterres] I want to motivate Portuguese society at the highest political, economic, and cultural levels so that they understand the national priority given to our relations with Brazil. I also hope to make the Brazilian authorities understand the importance we attach to these relations so as to obtain the same dedication by the Brazilian Government and society who will find in Portugal an entrance door to the EU which has more than 300 million inhabitants and which represents the largest market in the world.

[Duran] Some Portuguese newspapers have criticized the priority treatment your administration is giving to Brazil. They believe Brazil does not deserve such attention because Brazil prefers to focus its attention in for example, the PRC or Mexico, rather than on Portugal.

[Guterres] Our role is not to complain over this but to make an effort to make the Brazilian administration see the advantage of a more intense relationship with Portugal. Considering the globalization of relations, I think Portugal will be for Brazil an excellent entrance door to the EU in economic and cultural fields. Brazil represents the same thing for us regarding the Mercosur. We must not turn our backs on each other or adopt a position of rivalry. We must seriously work on a common strategy.

[Duran] Will Portuguese borders be closed to Brazilians after the special legalization process is passed?

[Guterres] Portugal will adopt a cautious immigration policy, as it is inevitable in any relatively small country. The first priority is to legalize the residence of illegal immigrants in order to allow the harmonic integration of Brazilian immigrants in Portugal. Then we will have to follow a more cautious immigration policy that must respect both the European immigration policy, which tends to pass from a inter-government to a community sphere, and a drug policy.

Brazil: Congress Approves Federal Budget Bill

PY0904230996 Sao Paulo AGENCIA ESTADO in Portuguese 1721 GMT 9 Apr 96

[FBIS Translated Text] Brasilia, 9 Apr (AE) — Congress has just approved the federal budget for 1996 which foresees $312 billion of public expenses this year. Of that total amount, 1.2 percent or R4 billion will used in the congressional amendments. During the three months in which the budget bill was discussed in the Congressional Budget Committee, the parties negotiated the distribution of $40 billion in different amendments. However, there was enough money to attend only to 10 percent of the demand. Budget reallocations made by the executive branch have raised government investments, especially in basic sanitation, housing, and transportation projects from R8.4 billion to R9.9 billion. In order to guarantee the projects chosen by several congressmen, the committee withdrew funds from several agencies. One of the most harmed areas were the judicial branch and the military ministries. The Planning Ministry, which administers the budget, did not promise to comply with the changes made by the congressmen. The final report of the budget committee also modifies the financing sources of the Health Ministry. Since the Provisional Contribution on Financial Operations (CPMF) — created to reinforce the Health Ministry budget by R6 billion per year — has yet not been approved in the Chamber of Deputies, the committee decided to authorize the administration to spend 20 percent, or R4.4 billion, of the Fiscal Stabilization Fund (FEF) to pay hospitals and public health programs.

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Brazil: Cardoso Addresses Domestic Issues in Buenos Aires

PY1004033196 Brasilia Voz do Brasil Network in Portuguese 2200 GMT 9 Apr 96

[Passages within quotation marks recorded]

[FBIS Translated Text] The Argentine Congress today held a solemn session to honor Brazilian President Fernando Henrique Cardoso. In his address, Cardoso said Brazil is a country that has regained its confidence and its ability to mobilize political forces to promote progress. He regarded the mutual friendship is proof that Brazilian-Argentine relations are essential.

Cardoso said that, like men, countries cannot remain isolated or ignore their realities.

Cardoso today gave a news conference in Buenos Aires. He explained why his administration opposed the installation of the CPI [Congressional Investigating Committee] on banks.

"...which shows that opposition to the CPI on banks was not designed to cover up any fraud. Rather, it was designed to prevent, first, the case from being used for political purposes; and secondly, that instead of simply having a process that would have derailed the process of reforms the government and people of Brazil have undertaken, we could conduct a calm investigation — which I believe it is necessary — of possible irresponsible actions or fraud.

"I believe this clearly shows our objective, which was clearly stated by our leaders in Congress, that the administration was in no way seeking to cover anything up, because after all, it was the administration itself that raised the charges. In fact, despite the fact that the possible cases of fraud have been committed over a period of many years, the proposal to create the CPI was made in a mistaken and politicized way by limiting the period of investigation to one year, which would include only my administration. Look, if it happened during my administration, we conveyed to the nation that there was no connection between the CPI proposal and our efforts to truly clean Brazil up.

"I believe the entire nation is witnessing a great effort, not only in terms of the private banks but also in terms of state-owned banks too..."

Cardoso said state and municipal administrations are working to end their deficit.

"Since last year, governors have taken quite drastic measures to curb spending. I believe that, throughout 1996, there will be a remarkable decline in the deficit of state and municipal administrations, despite the legal stumbling blocks standing in their way. Yet, they have adopted several measures and, I would like to publicly convey my gratitude for the efforts made by states and municipal administrations in this area. Through the Finance Ministry, the federal administration has tried to assist, to the extent possible, the state administrations in making the necessary adjustments. This just brings the significance of the administrative reform into focus."

Cardoso stated that the administration is not going to negotiate on topics of the administrative reform that are considered to be essential.

"It is absolutely essential for Congress to approve an administrative reform that would pave the way for the necessary adjustments. We are not interested in a lukewarm reform. I want to make it quite clear that the federal administration is not going to negotiate at certain levels. There are nonnegotiable issues. I believe the Congress will have the political wisdom of approving a reform that would be in keeping with the need for adjustments of the Brazilian public sector.

"This reform is not intended to harass anyone, but rather it is a reform designed to safeguard the interest of taxpayers and of the nation in the long term. We are not going to waver in this area. We are not going to indulge in negotiations that would distort the administrative reform."

Cardoso said the administration is concerned about unemployment.

"While there is concern about unemployment and while we are making efforts to increase the number of jobs, especially through microenterprises and by retraining workers to allow them to perform more effective jobs, we would like to note that a sort of structural transformation of employment is taking place in Brazil. Thus, jobs that are lost in certain areas are gained in others. Jobs are eliminated in the industrial sector, but others are created in the area of services. Part of the industrial sector is disorganized in one area of Brazil only to be reorganized in another area.

"The IBGE [Brazilian Geography and Statistics Institute] unemployment rate was at an all time low in 1995. In 1996, data supplied by the DIEESE [Interunion Department for Statistics and Socioeconomic Studies], which consists of unions; by the IBGE; and by FIESP [Sao Paulo State Federation of Industries] also prove what I have just said: unemployment is localized. This does not mean that we not concerned about it. Yet, these rates are not indicating either a recession or a structural crisis of unemployment that would really be a cause for alarm in the country.

"The administration is taking every measure it can. It is of course necessary to continue with the process

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of economic growth and with the retraining program, because whenever an industrial job is abolished, the dismissed worker will not be able to fill a vacant opened in the area of services. Thus, we have to retrain workers and the Labor Ministry has extensive retraining programs."

Cardoso also reported that real wages have increased and distribution of income has improved in Brazil.

"For the first time, the distribution of income has changed to the effect that wealthier income groups have gained less than lower income sectors. Thus, the relative proportion shows that the lower income sector has obtained a relative advantage, which is still small because it depends on the continuity of the economic stabilization program and growth. This is indeed a fundamental condition for effectively reducing poverty; that is, the continuity of monetary stability and of a sound policy that would not yield to pressures exerted by vested interests and that everyone realize that we ought to generate greater wealth."

Brazil: Storm Forecast in Passage of Reforms

96SM0215A Sao Paulo JORNAL DA TARDE in Portuguese 8 Apr 96

[Editorial: "After the Lull Comes the Storm"]

[FBIS Translated Text] The lull of Holy Week is going to be followed by a storm—and it may be a typhoon, depending on how disposed the opposition parties are to fight. The confrontation between the administration and the opposition can be summed up as centering on one major point of hostility: The administration wants the reforms approved this year no matter what the cost and despite the municipal elections, because without the reforms—even with the optimism being exhibited by all—the real may lose prestige and the financial health of the Brazilian state may be violently shaken. The opposition wants to delay their approval for as long as possible regardless of what may happen to the stabilization plan or the harmony of that work of art known to Renaissance men as The State. What it wants to do is cause trouble not for the administration any longer but for the president of the republic. It is true that the administration has been showing more interest in seeing the law on reforms promulgated (even though it is far different from the text submitted to Congress) than in actually implementing those reforms. Consider the case of the economic reforms which the administration got approved with no difficulty. Nearly a year has passed since they were approved, and as far as those having a fundamental impact on the country's development are concerned, only one (incomplete) regulatory bill has been submitted to Congress: The one on communications. We will not mention the bill regulating the looser controls on coastal shipping, which changes little. The regulatory bill on petroleum is still locked up tight (making it clear that nothing is going to change).

The social security and administrative reforms are essential to the reform of the state, or, more accurately, they are essential if the state is to recover its tone and lose its character as a sponge that is constantly absorbing the water (tax revenues) accumulating in the reservoir (the Treasury). Since they are essential, the administration is going to bet all its cards on them and make approval of them the center of gravity in all its action in Congress. The offensive will be launched this week, and that is when the lull will become a storm or a hurricane. It may turn out to be a typhoon that further weakens relations between the Chamber of Deputies and the Senate if everything is put to fire and sword in the lower house.

The administration's objective is to get the reforms approved by the end of the year even though the municipal elections will tend to empty out the two houses. What is the strategy outlined by the leaders in the Chamber of Deputies? First, they will try to persuade the Senate to change its rules so that an amendment passed by the Chamber will be debated immediately by the full upper house and returned, if there are further amendments, to the full Chamber of Deputies. To that end, the Chamber of Deputies will pass a draft resolution and try to achieve the same thing in the Senate—if the senators accept the role of dictation takers. The fact is, after all, that a constitutional amendment must be voted on twice in each house. The second step will be to change the rules of the Chamber of Deputies so that requests for a separate vote [DVS's] will be treated differently than they have been since the joint leadership introduced the concept in the Constituent Assembly. According to the latest reports, the rules have made it possible to scrap over 200 DVS's in connection with the Michel Temer report on social security reform. There is nothing strange about this. After all, if the Chamber of Deputies changed its rules to allow the revocation of President Collor's mandate (the procedural law was changed after the process began), what is so strange about its doing the same in connection with constitutional reform?

It is also necessary to win passage of administrative reform. Minister Bresser Perreira has admitted defeat: The reform will not include circumstances in which employees with job security can be fired. His Excellency let himself be persuaded by the erudite arguments of Deputy Inocencio Oliveira (who had convinced Deputy Jose Anibal, leader of the PSDB [Brazilian So-

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cial Democracy Party]). The result is that the said circumstances will be regulated by a complementary law. Having convinced the PSDB of the political importance of his idea, Deputy Inocencio Oliveira yielded to the PSDB deputy's centralizing (and obviously unrealistic) argument: The states will not decide how to fire their employees with job security; that responsibility will be reserved to the Union—as though the civil service were the same thing everywhere from Oiapoque to Chui. The only thing is that the governors want the rules to be part of the Constitution: They do not trust the legislative assemblies.

That being posited, everything seems to be in place for a victory by the administration. Leader Inocencio Oliveira is holding in strategic reserve the alternates to the over 100 deputies running for mayor. The permanent deputies are either pledging on their honor to be present for the vote or are taking a leave of absence at 3,000 reals per month to make room for their alternates (and no one knows how the latter will vote). The Treasury will pay the cost of the game—an estimated 1 million reals. In a country where billions are treated like pocket money, what are 1 million reals provided that the administration is able to win passage of amendments that will later be regulated by complementary laws? Let us await the typhoon.

Chile

Chile: Ex-Policeman Accuses Cuba of Involvement in Murder

PY0904154296 Santiago Television Nacional de Chile Imagen Internacional in Spanish 1100 GMT 9 Apr 96

[FBIS Translated Text] Jorge Barraza, ex-police officer of the Investigative Department, has delivered to Judge Alfredo Pfeiffer evidence on the murder of Senator Jaime Guzman [Independent Democratic Union], which was labeled as very serious. The government said that the charges are irresponsible and without any basis.

[Begin recording] [Unidentified reporter] After the controversial remarks made by the ex-police officer to the effect that at a son-in-law of Cuban Defense Minister Raul Castro was reportedly the man responsible for the murder of Senator Jaime Guzman, Barraza met with the judge who investigated this case to deliver new evidence.

[Barraza] The evidence I delivered will be encompassed under the secrecy of the investigation.

[Reporter] But Minister Secretary General of Government Jose Joaquin Brunner rejected the evidence submitted by Barraza, who blamed Under Secretaries Jorge Burgos and Marcelo Schilling for concealing information.

[Brunner] We believe he is not making a denunciation but rather an irresponsible accusation, which we categorically reject. And we would like to see this individual prove his alleged evidence before the court.

[Reporter] Cuban Ambassador Aramis Fuentes also denied the accusation.

[Fuentes] Cuba has never used this kind of method. I don't believe that charge has any basis.

[Reporter] Judge Alfredo Pfeiffer has not yet decided if there is enough evidence to reopen the investigation concerning the murder of Senator Jaime Guzman. [end recording]

Chile: PS Reviews Text on Party Identity

96SM0189A Santiago EL MERCURIO in Spanish 27 Feb 96 p C3

[FBIS Translated Text] The drafting of the document entitled "Socialist Program" for discussion by the rank and file in anticipation of next May's Socialist Party (PS) General Congress has revealed serious differences of opinion in that leftist organization.

The text is the result of compromises by the various factions regarding what they believe the party and its ideological basis should be.

The disagreements raised by the document prompted former Senator Adonis Sepulveda, who is a member of the PS political committee, to draft an alternative to the "Socialist Program" in which he sets forth all of the points he considers fundamental to the party's identity.

Sepulveda contends, among other things, that Marxist principles should be maintained, that the PS should be more clearly defined as an "anticapitalist" party representing a specific class or social sector, and finally, that changes, not improvements, should be made in the country's current economic, social, and political system.

Sociologist Manuel Antonio Garreton believes it is not possible to base a political program on a theory such as Marxism. According to Garreton, the political parties, including the Socialists, should respond to a number of questions that go beyond their relationship with the economic system. He stated that Marxism bases its explanation of the problems of society primarily on the means of production.

The sociologist claims that socialism should be a response to the need to humanize society "to enable people to live better." It cannot be limited to representing a given social sector, but should eventually represent the majority of society.

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The principal differences are between those who advocate returning to Marxist principles and those who want to revamp the PS, rejecting the Marxist perspective as a way of analyzing social phenomena.

The "Socialist Program" will be reviewed by the PS at the next General Congress on 3, 4, and 5 May for the purpose of formulating an overall proposal for the party's basic ideology and platform. During the month of March, the rank and file will make whatever contributions to the document they deem appropriate, and will convey them through the delegates they elect in their councils.

Both Sepulveda and Garreton were on the committee charged with drafting the document. Other members were Carlos Altamirano, Clodomiro Almeyda, Raul Ampuero, Carlos Ominami, and other party activists. Party leaders say it will be difficult to forge a definitive text on the PS ideological underpinnings because of the differences of opinion, and because this is a thorny and fundamental issue.

In the opinion of former PS Senator Adonis Sepulveda, the "Socialist Program" document does not define the organization vis-a-vis the market economy. The ex-senator also indicated that the text does not provide a clear definition of the nature of Chilean socialism and its unique features.

The political committee member pointed out that he continues to view Marxism as a means of analyzing society in general, but he said that Marxism should not be considered an "orthodoxy" or a "bible."

In this regard, the former senator added that the Chilean PS was always harshly critical of Soviet socialism "because of its excessive bureaucracy, which became a deformity, and because of the crimes that were committed." He added that the structure of Soviet socialism was valid, but the bureaucratic distortion was not.

Garreton, on the other hand, believes it is wrong to define socialism only on the basis of the economic aspects of society. In his view, there are issues that cannot be addressed in the analysis of the relationship between the PS and capitalism. Among these are AIDS, the environment, and the problems of young people.

Both leaders feel the "Socialist Program" document provides an inadequate definition of what Chilean socialism should be.

Whereas Sepulveda contends that it is defined by its adherence to Marxist principles, its Latin American orientation, and its representation of "oppressed social classes." Garreton believes that the PS today can be defined as "the social process through which we seek to overcome the main contradictions in society, which will in turn create other contradictions that will also have to be overcome." This process, in his opinion, should be the humanization of society.

The sociologist added that socialism can no longer be considered an "architecture" of society that will solve its problems and create a new utopia.

Garreton stated that the document does not take new developments into account, and concentrates only on economic issues. He commented that society has changed, and that many different mindsets and problems coexist in it to which all parties should respond. He added that perhaps Marxism can shed light on some of these contradictions, but not all of them.

In this regard, he claimed that the challenge to the political system today is to devise a single line of action to combat all problems and contradictions.

Chile: Aninat Rejects Tax Reduction Proposal

96SM0189B Santiago EL MERCURIO in Spanish 16 Mar 96 p C7

[FBIS Translated Text] Valparaiso—Finance Minister Eduardo Aninat, in a letter to the Chamber of Deputies, rejected proposals by legislators and political leaders to modify the tax system for the purpose of reducing taxes on individuals.

The proposal for a new tax accord has been put forth by the Party for Democracy (PPD), the National Renewal (RN), and the Independent Democratic Union (UDI), which agree on the need to lower taxes on individuals and bring them in line with those levied on businesses. This move would be in keeping with the trend in developed countries.

Early this year, in time for inclusion on the economic-social agenda, the president of the PPD, Jorge Schaulsohn, proposed a reduction of taxes on individuals and an increase in the tax rate applied to businesses from 15 to 20 percent. He also called for lowering the value-added tax (IVA) by two points (from 18 to 16 percent).

All proposals aimed at cutting the tax on individuals agree that it is necessary because the current rate is extremely high (brackets range from five to 45 percent).

In his response to these proposals, Minister Aninat states that the government has constantly oriented its efforts toward meeting the economic needs of low-income sectors, striking a balance between social priorities and budgetary resources.

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The cabinet secretary indicates that he agrees with a speech by Christian Democratic Deputy Ramon Elizalde in which he expressed his disagreement with political groups that contend that the excess resources generated by the recent economic growth in the country would justify a tax cut.

The deputy stated in his speech to the Chamber that there are still many unresolved problems in the areas of health, education, and justice, and vast segments of the population still live in poverty. In his opinion, this situation warrants an effort to reach a broad national accord to maintain the current tax levels and apply the $1 billion or $1.2 billion they want to cut to combating the most pressing problems in the national community.

On that occasion, Elizalde urged Finance Ministry authorities not to make any changes in the country's current tax system, but rather to make an effort to ensure that tax revenues are allocated more to social spending.

In his response to that request, which was made public by the Christian Democratic deputies, Minister Aninat states that he agrees substantially with the content of Deputy Elizalde's speech. He also notes that the ministry he directs will continue striving to alleviate the economic necessities of the most deprived segments of the population.

UDI Proposal

The Independent Democratic Union's tax proposal was released to the public last January, but to date it has received no response from the Finance Ministry, despite the efforts of that party's legislators, especially Senator Hernan Larrain, to bring it to the finance minister's attention. Deputy Jaime Orpis indicated that they have not been given a meeting with the minister.

The legislator believes that the tax cut proposals were revived in recent days particularly by the Finance Ministry's announcement of the surplus and the level of fiscal savings, and by a report issued recently by the Office of the Comptroller General of the Republic pointing to the need to determine precisely how many excess personnel are still being paid fees in the public administration.

Chile: Ambassador on Canadian FTA, Investment

96SM0189C Santiago LA NACION in Spanish 16 Mar 96 p 15

[FBIS Translated Text] The signing of a free trade agreement [FTA] (TLC) between Chile and Canada when President Eduardo Frei visits there in early October will significantly boost the flow of capital from that country, stated Ambassador Rodrigo Diaz Albonico. He emphasized that the negotiations now under way, in and of themselves, have already created a more propitious atmosphere for business.

Diaz Albonico indicated that "there is currently $6 billion in authorized Canadian investment here and $2.3 billion in actual investment. And that is without a free trade agreement, which would offer a framework of greater security for foreign investors. I maintain that when we sign the TLC with Canada, more investors will come to Chile from that country."

In his opinion, in addition to increasing Canadian investment, "we will have a greater diversification of that capital, 80 percent of which is currently invested in mining activities."

This fact, which is a constant regardless of what country the capital comes from, is cause for concern among government officials, in that investors are focusing on the extraction of resources, and there is no development of the industrial, agricultural, or service sectors. It is these sectors that provide more value-added, technology transfer, and management expertise.

The Specter of Mexico

When asked whether the massive influx of capital could expose our country to a disaster such as the one Mexico experienced when it saw billions of dollars disappear into thin air overnight, the Chilean ambassador explained that "in Mexico's case, there was a huge flow of speculative capital, but there was also a major influx of direct investment and an expansion of trade."

In his opinion, Chile is much better prepared to deal with sudden course changes in the flow of investment, since it has two instruments that have proven effective: the 30-percent reserve requirement and the time limits for returns on investments. These mechanisms tend to discourage speculative capital.

"Of course," the ambassador admitted, "the Canadians do not like the reserve requirement or the one-year limit the Chilean Government has established for investment return. Chile has provided an explanation, both historical and rational, for these limitations in the first two rounds of talks. I cannot claim that our explanations have convinced the Canadians, but there is no doubt that Chile's contributions have given the Canadians pause," Diaz Albonico pointed out.

Chile Will Win

As for bilateral trade, Diaz projected "growth exceeding 20 percent, which will benefit Chile," since Canadian exports last year grew more than Chilean sales to that country, due to the importation of machinery and equipment for mining. He bases his optimism on the

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positive effects of the Chilean image campaign that Chile's fruit growers will carry out over the next few months in Canada. It is expected to boost the volume of fruit exports.

The beneficial effects of a trade agreement will also extend to Chilean fine wine exports, which already have established a major presence in Canada. "We are second only to the United States in exports of fine wines," said Diaz.

Along other lines, he emphasized the possibilities for growth in certain sectors such as textiles, women's shoes, and construction materials.

Diaz Albonico projects a third immediate advantage stemming from the signing of a bilateral agreement with Canada: "Treaties of this type bring not only an increase in trade and investment, but also a decline in unilateral protectionist decisions." In his opinion, a TLC makes it impossible to impose sanctions such as the one imposed on grape exporters at one time by U.S. authorities.

According to the ambassador, Canada "has benefited from the TLC it signed with the United States and Mexico, and today it is much less vulnerable to the former country for a very simple reason: The idea of a TLC is to channel and resolve protectionist pressures that arise in different countries in association with political problems. This type of agreement does not prevent protectionist pressures, but it limits their effects."

For a small economy like Chile's, this is a key factor in defending against protectionism, which is particularly prevalent in the strongest economies that have the ability to impose their points of view.

[Box, p 15]

The American Dream

According to the ambassador, it was Canada that nominated Chile for the North American TLC (NAFTA [North American Free Trade Association] in English) and is its most ardent defender today.

Given the complete absence of philanthropy in bilateral relations, the question is, what can Chile do for Canada?

The ambassador is very clear on that: Chile appears to be a bridgehead for Canada to gain a foothold in the region. The service sector is one of the issues of greatest concern to that country.

"Chile is very advanced in services throughout Latin America, and the Canadians have decided that our country is a good market for extending investments and projects in the service sector," contends Diaz.

He claims that this process is already evident in mining, where the Canadians are a power. "The Canadians are promoting services linked to mining in both Argentina and Peru from their base in Chile."

According to Diaz, the Canadian effort to become "partners" in the service sector in Latin America will enable Chile—in a kind of three-pronged movement—to obtain know-how with a view to establishing a presence on the U.S. market.

"Canada is very familiar with how the service market functions in the United States; we are not very familiar with it. This joint effort with Canada will enable us to prepare to enter the service sector in the U.S. market." Let us hope so.

Colombia

Colombia: Media Banned From Releasing Poll Results

PA0904194096 Santa Fe de Bogota Emisoras Caracol Network in Spanish 1200 GMT 9 Apr 96

[From "Caracol's 0600 to 0900" newscast]

[FBIS Translated Text] The National Electoral Council has prohibited the release of the results of public opinion polls the media conducts periodically or daily.

From now on, journalists may only receive calls from listeners who want to express their feelings. Journalists will not be allowed to reach general tendency conclusions from those calls.

Colombia: Results of Latest Guerrilla Attacks

PA0904222596 Santa Fe de Bogota EL TIEMPO in Spanish 9 Apr 96

[Received via Internet]

[FBIS Translated Text] The results of the so-called "armed strike" convened by the guerrillas leaves the country faced with a bloody scenario.

The first of the "strike" left 21 dead, including civilians, members of the Armed Forces, and alleged rebels in the wake of attacks, roadblocks, and clashes in 11 departments.

Twenty-Six Were Also Injured in the Clashes

The civilian population was the hardest-hit. In different incidents, 14 civilians were killed, while another 14 persons were injured.

The hardest-hit departments were Santander, Norte de Santander, Tolima, and Cesar.

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The guerrillas caused a traffic jam for several hours along the road between Bucaramanga and Cucuta, the middle Magdalena highway, and the highway connecting Medellin and Bogota.

The guerrillas announced that the strike will continue nationwide today.

Santander

In Barrancabermeja, businesses closed their doors and urban transportation services were suspended due to pressures exerted by the guerrillas. In addition, navigation on the Magdalena River was suspended.

On the middle Magdalena highway, in the section between Barrancabermeja and Puerto Araujo, guerrillas from the Captain Parmenio Front of the ELN [National Liberation Army] set up a roadblock on Sunday morning and scrawled subversive propaganda on several vehicles.

On Sunday evening, on the same road, at a place named El Oponcito, the guerrillas set up a new roadblock and burned two Copetran company buses that were working the Medellin- Barrancabermeja route.

Later on, the guerrillas shot at a private vehicle, killing Jose Antonio Alonso.

In addition, one car eluded the roadblock and was shot at by the rebels. Civilians Gladys Ortiz, 21, and Fredy Uribe were injured.

Meanwhile, early yesterday morning, the ELN dynamited the Galan-Puerto Salgar multipurpose pipeline, causing a 4,000-barrel gasoline spill.

The rebels ambushed a patrol that was sent from Barrancabermeja to the site of the attack.

The vehicle carrying the soldiers was bombed in front of the San Pedro Claver School, located on the road to El Llanito. First Corporal Fernando Suarez Vasquez, 26, and soldiers Mauricio Pena, 23, Javier Cortez, 24, Jose Lopez, 21, and Fernando Jimenez sustained injuries.

Felix Alberto Contreras was shot in the right leg. Military sources have accused Contreras of being one of the masterminds of the attack.

In the wee hours of yesterday, several guerrillas hurled three fragmentation grenades at the facilities of the Nueva Granada Battalion in downtown Barrancabermeja. This incident left soldiers Carlos Contreras, Jhon Ortiz, and Jose Frayle injured. Yesterday, a taxi and a minibus were also burned in downtown.

On the road between Barrancabermeja and Bucaramanga, near the rural headquarters of the University Institute of La Paz (Inupaz), the ELN set a roadblock and stopped two buses carrying students for 15 minutes.

In the neighborhood of El Cerro, in this oil port, members of the CGSB dynamited a police post.

At Kilometer 18 on the road between Bucaramanga and Cucuta, ELN guerrillas burned a tractor trailer in the wee hours of yesterday and restricted the passage.

At 1400 yesterday, troops from the 5th Brigade removed the truck and allowed the transit of vehicles. At the moment the vehicles began to transit, several charges of dynamite planted by the guerrillas blew up.

This incident caused the deaths of Elver Niza Galvez and a child. Roberto Cifuente Chaux, 50; Ana Maria Agudelo Rico, 29; Abel Jaime Velascos, 32; German Sepulveda Estupinan, 26; Alvaro Sanchez; Ramiro Calderon, 44; a 13-year-old child; and an unidentified person were injured.

These people were taken to the Ramon Gonzalez Valencia Hospital in Bucaramanga.

Norte de Santander

On the road between Cucuta and Puerto Santander, the Oripaya military base was bombed. As a result, soldier Camilo Gelves Carvajal was killed, while soldier Jose David Silva Duran was injured. An unidentified woman also died during the attack.

On the same road, several guerrillas attacked an Army patrol, killing Lieutenant David Duarte Bareno and soldiers Martin Jimenez Alba and Celso Rodriguez Cardenas, who were deployed in Cucuta to reinforce the preventive operations linked to the armed strike.

On the road between Cucuta and El Zulia, on the Mariano Ospina Perez Bridge, Luis Alfredo Rojas, Reinaldo Mora, and Angel de Jesus Roja were killed.

The Army disclosed that the victims activated a grenade, but does not know whether this was done by accident. As a result of the explosion, the El Zulia municipality was left without telephone service.

In Cucuta, a rebel was injured during a clash between the police and the ELN guerrillas in the neighborhood of Comuneros, in the Juan Atalaya fortress. There, two bombs were defused.

Arauca

In Arauca, the strike by the intermunicipal transportation sector was without incident because people were afraid to drive their vehicles in light of ELN threats and despite the guarantees offered by the Army. In the city, transportation services proceeded as usual.

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To counter the "armed strike," the Army increased its security measures, deployed troops to the roads, and set up new mobile checkpoints.

Antioquia

In eastern Antioquia, public transportation services and business operations were brought to a halt by approximately 95 percent.

On the highway between Medellin and Bogota, four vehicles were burned in the neighborhood of the Jose Maria Cordova International Airport.

Reinel Velez Rojas, an Antioquia Police noncommissioned officer, was killed during a clash with alleged militia members who burned a bus at Kilometer 1 of the exit toward Bogota.

One of the criminals, identified as Frank Lopez Mora, was killed during the clash, and the troops seized a rifle and a communications radio.

Huila

In Neiva, the rebels attacked the mayor's office building.

The incident took place at 2330 on Sunday when a low-powered bomb blew up, injuring the watchman.

According to Huila Police Commander Colonel Emel Aguilar Carreno, the 0.5 kg of dynamite, planted by the rebels on the intersection between 5th Avenue and 9th Street, only caused several windows to break and minor damages assessed at 10 million pesos.

Tolima

In Ataco municipality, 15 guerrillas of the 21st Front of the FARC [Revolutionary Armed Forces of Colombia] seized the facilities of the rural security company Avisur early Sunday morning.

There, the rebels murdered three peasants and an Avisur official. During the rebel attack, two farmers were injured.

The terrorist wave also spread to several municipalities of northern Tolima.

In Casabianca, ELN guerrillas blew up a power pylon, property of ISA [Electrical Inter-Connection Inc.], causing an estimated 100 million pesos in damages.

In Libano, the owners of commercial establishments did not open their stores for fear of reprisals by the Bolsheviks, a member group of the ELN.

Meanwhile, a "tack-strewing" operation was staged on the roads between Armero and Lerida and between Convenio and Libano. There were no transportation services between the municipalities of Libano and Murillo and Libano and Villahermosa.

In Ibague, urban groups of the ELN laid, early yesterday morning, eight kg of dynamite on a power pylon of the line between La Mesa and Mirolindo.

A guerrilla group seized control, for several minutes, of the classrooms of the Veterinary School of the University of Tolima. According to Police Commander Colonel Guillermo Velez Botero, the masked men were actually students demanding the replacement of the school's dean.

Last Sunday, guerrillas of the 25th Front of the FARC set up roadblocks on the road leading from San Luis to Cunday.

Risaralda

The Risaralda municipalities of Guatica, Mistrato, and Belen de Umbria experienced restrictions in intermunicipal public transportation services.

The rebel groups that operate in western Risaralda Department disseminated leaflets in these locations, urging the community to join the national armed strike.

Colombia: Government Says Guerrillas 'Under Control'

PA0904190996 Santa Fe de Bogota Emisoras Caracol Network in Spanish 1700 GMT 9 Apr 96

[From "The Midday Newscast"]

[FBIS Translated Text] Santa Fe de Bogota — The Colombian Government said today that it has the guerrilla offensive under control and warned that the country is not going adrift; however, it did recognize that violent actions have been taking place, which have increased the number of casualties and have caused property damage.

Interior Minister Horacio Serpa said the country was able to function during the first day of the armed strike while Defense Minister Juan Carlos Esguerra Portocarrero announced the indefinite confinement of troops to their barracks in the country.

Serpa said the Army and the National Police responded appropriately to prevent unfortunate situations that may have resulted from the subversive protest.

Serpa said: They caused damage. There were soldiers and civilians who evidently lost their lives, and oil pipelines were blown up, but the guerrillas' intention was to do a great deal more, such as to paralyze the country or at laeast paralyze the most important regions of Colombia, and this did not occur.

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Colombia: Warrant Issued Against Ex-Chamber President

PA1004012696 Santa Fe de Bogota Radio Cadena Nacional in Spanish 2330 GMT 9 Apr 96

[From the "Valle Events" newscast]

[FBIS Translated Text] The Supreme Court's Criminal Chamber has issued an arrest warrant without bail against Alvaro Benedetti Vargas, representative and former president of the Chamber of Representatives. Benedetti Vargas is connected to the Case 8000, which is investigating the use of drug money during the Liberal Party's presidential campaign. The warrant was issued by Justice Jorge Cordoba Poveda from the Court's Criminal Chamber. The high court ordered the arrest of Benedetti Vargas for the alleged crime of illegal enrichment. According to the Supreme Court's inquiry, Benedetti Vargas probably received a check for 20 million pesos and a second check for 25 million pesos from front companies belonging to the Cali cartel. In addition, Benedetti Vargas allegedly stayed at the Cali Inter-Continental Hotel.

Colombia: Committee Members' Activities Halted

PA0904193696 Santa Fe de Bogota Emisoras Caracol Network in Spanish 1200 GMT 9 Apr 96

[From "Caracol's 0600 to 0900" newscast]

[FBIS Translated Text] The Accusations Committee's activities have come to a halt because 90 percent of its members are being questioned at a moment when important decisions had to be taken. Representative Rodrigo Garavillo today was scheduled to speak freely and voluntarily. Today the National Electoral Council had plans to send copies of testimonies collected as the investigations on the alleged violation of campaign expenditure limits developed.

Colombia: Prosecutor's Investigation Team Head Resigns

PA0904133296 Santa Fe de Bogota Radio Cadena Nacional in Spanish 2330 GMT 8 Apr 96

[Report by Drumar Garcia at the Prosecutor General's Office; from the "Latest News" newscast]

[FBIS Translated Text] Hernan Jimenez, director of the Technical Investigation Corps of the Prosecutor General's Office has just made official his resignation. He read his letter of resignation, which he tendered this afternoon to Prosecutor General Alfonso Valdivieso Sarmiento. Here are excerpts of the letter he turned in a few moments ago:

[Begin Jimenez recording] The fact that the name of Attorney General Dr. Orlando Vasquez Velasquez appears in the current investigation by the Office of the Prosecutor General of the Republic, commonly known as Case 8000, has unleashed a series of actions by the organization that he leads aimed at hindering and hampering the progress of the cases.

The multiple and reckless investigations that the Attorney General's Office has undertaken against the Office of the Prosecutor General of the Republic officials, permits me to state that Dr. Vasquez Velasquez has been using his post to defend interests that are exclusively personal. [passage indistinct] [end recording]

Colombia: President Launches 'Legislative Offensive'

PA0904133396 Santa Fe de Bogota EL TIEMPO in Spanish 8 Apr 96

[Received via Internet]

[FBIS Translated Text] The proposal for the state to finance presidential campaigns and the modernization and reorganization of parties are some of the pillars of the government project. The government will promote 50 bills. In an attempt to prove that the country's governability still exists, the administration of Ernesto Samper will launch, during the week after Easter, a legislative offensive to promote 50 bills on various matters in Congress.

However, the government's main interest is to promote political reforms, with which it seeks to lay the foundations for a broader civic participation and encourage the modernization, reorganization, and democratization of parties. The proposal for the state to finance electoral campaigns will be the basic pillar of this package of reforms, so that money from drug traffickers or any other pressure groups will not adversely affect future races for elected posts.

The Senate's First Commission will start studying this bill tomorrow. Senator Jorge Ramon Elias Nader (Liberal from Cordoba Department) will introduce this bill in Congress.

Among these reforms, the government has even thought about proposing anticipated presidential elections, which has divided Congress into friends and enemies of the initiative.

Studying the Statute of the Opposition [Estatutos de la Oposicion], which is a bill that seeks to create the position of opposition leader and introduce clear rules regarding this matter, is being planned for the remaining term of this legislature, which ends on 20 June. The

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selection of these 50 bills was one of the activities that kept President Samper busy during the Holy Week.

A Little Bit of Everything

Following are other legislative priorities on which the government will work:

— As for civic participation, the Senate is discussing the bill that would create offices through which the people would exercise civic control and supervision of the agencies in charge of rural development.

— The Senate is also discussing a bill to prevent the public duty of estimating [liquidar] taxes from being transferred to citizens and to protect lower-income taxpayers.

— Families are the main concern of several bills: the first bill establishes part-time services for women who are heads of household and who are involved or will be involved both in the public and private sectors. Another bill dictates guidelines for the protection of families, and a third one acknowledges the "right to basic urban family housing" for families that do not have any other means to own their own homes.

Media Self-Regulation

— A bill on which a great deal of controversy is expected is the one that creates the National Self-Regulation Court for the media and media workers. The Senate is currently discussing it.

— The bill ratifying the inmate repatriation treaties signed with Panama and Spain is being discussed in the Chamber of Representatives, and the Senate has already approved it.

— Regarding human rights matters, the bill establishing mechanisms to compensate the victims of human rights violations was approved by the Senate, and the Chamber is discussing it.

— The Senate discussed the bill approving the Inter-American Convention on Forced Disappearance of People, which was signed in Belem do Para (Brazil) in 1994, and the Chamber has already passed it.

— The Senate is discussing a bill establishing guidelines for national defense and security and another bill making certain measures taken under the umbrella of the state of internal disturbance contained in Decree 1723 of 1995 permanent.

— A bill that the Chamber approved and that the Senate is discussing is the one creating the General Law on Culture, which is one the government issued that could not prosper in the previous legislature.

— Regarding international matters, the government is interested in bills approving the investment protection agreement signed in Lima on 26 April 1994, authorizing the enforcement of the CATT's Article VI and endorsing the signing of the additional protocol of the American Human Rights Convention of San Salvador.

Colombia: Police Face 'Problems' With U.S. Antidrug Aid

PA0904171696 Santa Fe de Bogota Emisoras Caracol Network in Spanish 1200 GMT 9 Apr 96

[From "Caracol's 0600 to 0900" newscast]

[FBIS Translated Text] Weeks after the U.S. decertification of Colombia, the Colombian Police has admitted that it is facing problems with the U.S. financial assistance to the fight against drug trafficking.

National Police Director General Rosso Jose Serrano Cadena said that, within the framework of the current agreement for $13 million signed with the United States, there are problems regarding a chapter that involves $7 million. Those $7 million are basically destined for the repair of helicopters, the construction of some antidrug bases, the supply of fuel, and other materials for the airplanes.

Ecuador

Ecuador: 'Military Sources' Say Peruvian Troops in DMZ

PY0904212796 Madrid EFE in Spanish 1505 GMT 9 Apr 96

[FBIS Translated Text] Quito, 9 Apr (EFE) — Citing reliable military sources, the Ecuadoran newspaper EL UNIVERSO reported today that the Peruvian Government has reinstated the 400 military troops at Watch Post 2 (PV2) in the same demilitarized zone that they should have left.

The source consulted by this morning newspaper, who is not identified, said: "Evidence of noncompliance with the total demobilization agreed upon in Quito in February 1996 has been handed to the Ecuador-Peru Military Observers' Mission (MOMEP)."

The sources added that the 400 Peruvian troops that had been stationed at PV2 have been installed just 9.5 km south of that detachment, and thus "they remain on the banks of the Cenepa River."

According to what has been agreed, those forces should have been deployed to the Peruvian base of El Milagro.

The newspaper's report comes just a day after another morning newspaper, EXPRESO, also from Guayaquil,

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reported that Peruvian Armed Forces are developing a program of "live frontiers," under which some 150 Peruvian Indians have settled in the demilitarized zone between the two nations.

A National Defense Ministry source told EFE: "We have no official reports. We are trying to find out what is going on and will ask MOMEP to report on the matter."

Military officers from Argentina, Brazil, Chile, and the United States (guarantors) are watching both sides of the border between Ecuador and Peru to see that the Itamaraty (Brazilian Foreign Ministry) Peace Agreement signed on 17 February 1995 is fulfilled.

That agreement prevented the armed conflict between Ecuador and Peru in the beginning of 1995 from becoming a total war.

Ecuador: Control Measures To Prevent Money Laundering

PY0904154096 Madrid EFE in Spanish 0147 GMT 9 Apr 96

[FBIS Translated Excerpt] Quito, 8 Apr (EFE) — It was disclosed that the Banks Superintendency (SB) asserted today that it is coordinating control actions for the financial enterprises that deal with foreign currency to keep a record of all transactions involving more than $10,000.

The SB asserted that this decision, in addition to the usual control systems that exist in Ecuador, was adopted due to the "rumors that drug money is allegedly entering Ecuador," and in an attempt to "step up the control measures to eradicate this scourge."

The SB disclosed that it works together with Interpol and the U.S. Embassy to prevent the laundering of drug money from growing in Ecuador because it is a "social problem that is invading all Latin American countries. Therefore, this is the moment to fight it."

The SB also stated that not only are the financial enterprises involved in the alleged laundering of money; there are also hundreds of informal agents who carry out numerous transactions in foreign currency that allegedly entail money laundering.

"It is not right to blame only the financial enterprises," the SB asserted, and added that "the Financial Enterprises Law needs to be amended. Therefore, the SB will submit an additional bill to the one already in Congress, to amend the mistakes in the current law."

The daily EL COMERCIO reported today that Ecuador is a bridge for the trafficking of some 900 kg of cocaine to the United States and Europe. This trafficking involves an investment of some $90 million, much of which enters the national economy, according to official U.S. sources. [passage omitted]

Ecuador: Socialist Party Group Supports Ehlers' Candidacy

PY0904204896 Quito Voz de Los Andes in Spanish 1700 GMT 9 Apr 96

[FBIS Translated Text] The Broad Front Socialist Party [Partido Socialista Frente Amplio] and its list No. 17, which represent the aspirations of intellectuals and workers, indigenous people, peasants, small-scale businessmen, and young men and women, among others, support the presidential candidacy of Freddy Ehlers under the conviction that it is necessary for the government to change the unjust social and economic structure that have led Ecuadoreans to a state of frustration and misery in the midst of generalized corruption.

This statement was published in a bulletin of the Broad Front Socialist Party that was signed by its leader, German Rodas.

Paraguay

Paraguay: Police Say Islamic 'Terrorist Cells' Located

PY0904153796 Asuncion ABC COLOR in Spanish 9 Apr 96 p 26

[FBIS Translated Text] Police Principal Superintendent Enrique Martinetti, National Police Intelligence chief, announced yesterday that new Islamic terrorist cells have been spotted in Pedro Juan Caballero and Ciudad del Este. He indicated that these people are being monitored. Martinetti refused to identify them so as not to hamper current investigations by his U.S. (CIA) and Israeli (Mosad) counterparts.

Asked about reports on Arab terrorists allegedly living in Paraguay, Martinetti yesterday indicated: "Suspects have been spotted. They are being monitored. Secret data is involved, and we cannot even supply their names."

Martinetti added: "For now, we cannot supply any names. It is necessary — and, in fact, we look forward to this — to receive arrest warrants from interested countries, such as the United States and Israel. These suspects are living in Pedro Juan Caballero and Ciudad del Este, and we are monitoring them."

The high-ranking National Police officer noted that this information is being handled very cautiously, as data is still being checked.

Martinetti said: "We follow and take into account the intelligence services of friendly countries. The

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representatives from these friendly countries would not like these names to be supplied and published, bearing in mind the risks involved."

In reviewing the risks involved, the Intelligence Department chief was referring to the possibility of reprisals if the extremists feel they are being harassed.

In describing friendly countries, Superintendent Martinetti was alluding to the United States and Israel, whose secret services — the CIA and the Mosad, respectively — are closely working together with the tri-border nations [Brazil, Argentina, and Paraguay] in monitoring the Arab suspects. Martinetti indicated: "It is particularly necessary to consider Israel, a nation that already has suffered too much with these insane attacks by Arab fundamentalists."

Paraguay: Press Said 'Largely Responsible' for 'Agitation'

PY0804134696 Asuncion NOTICIAS in Spanish 31 Mar 96 p 30

[FBIS Translated Excerpt] During the inauguration of the Santani Fair, President Juan Carlos Wasmosy and Industry and Commerce Minister Ubaldo Scavone said the press is largely responsible for the "agitation" in Asuncion and the interior of the country over the past few weeks.

"The press only mentions the strike. It does not publish anything positive. Press workers seek to maintain their jobs that way," the president told journalists while visiting one of the stands.

While visiting the stand of this newspaper the president told "the girls of NOTICIAS" that coverage by Red Privada de Comunicacion "is very good, but you must also publish the good things, not just the bad things, like the strike."

Wasmosy complained continuously during his tour of the fair. He said that reporters "spend their time complaining and not helping to produce more."

During the tour some agriculture producers approached the president and gave him a box of pineapples. Wasmosy took the box, called the reporters, and told them "to take one each. Let us see if you now publish a little bit about our production." The reporters gave them to needy children.

During his speech, Minister Scavone said the press "publishes more about destruction than about construction." He said newspapers "devoted pages to the strike. The government does not get even 5 percent of that to make people aware of its accomplishments. [no closing quotation marks as published]

The industry minister said: "It is time the people in this country understand that if we encourage the invasion of properties we are telling investors to stay away, when what we need is more investments." [passage omitted]

Paraguay: New Agriculture Minister Discusses Policies

PY0904232096 Asuncion ULTIMA HORA in Spanish 4 Apr 96 p 24

["Exclusive" interview with Agriculture and Livestock Minister Juan Alfonso Borgognon by unidentified reporter; place and date not given]

[FBIS Translated Text] [ULTIMA HORA] In the past few years we did little to promote sales of our raw materials. Do you have any idea how to encourage sales of our agriculture products?

[Borgognon] Many things are very clear to me, but some are not so clear to the people, particularly if we are the ones responsible for low productivity, lack of technology transfer, trading shortcomings, and other aspects.

The campesino question is complex and involves health, education, housing, electricity, drinking water, credits, etc. We must confront the problem at the roots and discontinue the policy of assistance. We cannot subsidize or give away money indefinitely. We can offer training to peasants and try to unite them. We can then give them credits so they can create their own industries, etc. I think it is unfair to blame the Ministry of Agriculture for all shortcomings.

[ULTIMA HORA] One of the main demands of the campesinos is the need to reform the Constitution, amending articles that establish levels of compensation before expropriating properties. Are you in favor of this reform?

[Borgognon] I am not a jurist. I would not even dare to comment on such an important issue. I am acquainted with the Constitution in general terms and I understand it cannot be amended for at least 10 years. Thus, even if the executive branch has the political will, it does not have the authority to seek an amendment. Some articles clearly prevent any regular amendments.

I want to calm the people in that we will not implement partial or temporary solutions. There is a well planned reorganization of the state and the Paraguayan economy. We have a government plan that was approved by the people through elections in 1992. All our actions are in accordance with that plan.

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The change of minister at the Agriculture Ministry does not mean anything. My goal is to make the change unnoticeable in three to four months.

[ULTIMA HORA] How are your relations with former Minister Arsenio Vasconsellos?

[Borgognon] I would like to say this: It shows the type of person Vasconsellos is, the quality of his personality and his dedication to work. He will cooperate with me free of charge as of 8 April. We have drafts of important bills. These bills are needed to start reorganizing the ministry and to assist rural producers in areas under the responsibility of the Agriculture Ministry. These bills are indispensable. Vasconsellos will produce a final draft in 15 days without charging us anything.

[ULTIMA HORA] It was reported that Vasconsellos wanted to reorganize the Agriculture Ministry. He had plans to reduce the number of personnel by about 1,700. What do you know about this plan? Will you carry it through?

[Borgognon] The ministry has more than 4,600 employees and they are hard to control. We must do something to use all that manpower at our disposal. One possibility is to request funds and to produce the legal framework — which we do not have now — to implement a voluntary retirement program.

[ULTIMA HORA] What are your plans for the agriculture development services?

[Borgognon] They will not disappear. We want people to leave voluntarily. We want them to form groups and create a regional consulting service responsible for development within certain areas.

The ministry will pay a minimum charge and then pay bonuses per achievement, per increase in productivity in their zones, for instance.

[ULTIMA HORA] What is your position on the cotton subsidy?

[Borgognon] My main concern now is to see the subsidy reach the primary levels. I will do everything possible to see that the subsidy reaches agriculture producers and is not lost on the way.

[ULTIMA HORA] Neighboring countries impose taxes on the export of raw materials in order to encourage their industrialization. Do you favor this type of economic policy instrument to encourage the internal industrialization of raw materials?

[Borgognon] Nothing is categorical, we must always negotiate ways to implement what we want. Neighboring countries are important for reference, but they should not determine what we must do.

I do not think total deregulation or total taxation are beneficial. Everything depends on current internal and external conditions.

When you have a good harvest, prices drop. In this case you could levy a tax on the export of those products because they will still be competitive. But you cannot impose any tax if you have a bad harvest and prices are high.

Paraguay: Cabinet Changes Said To Reassert Wasmosy 'Team'

PY0904171996 Asuncion ULTIMA HORA in Spanish 4 Apr 96 p 3

[FBIS Translated Text] According to Milda Rivarola, sociologist, historian and political analyst, in addition to the recent appointment of the new agriculture and livestock minister, the imminent changes in President Wasmosy's cabinet evidence the president's intention to reassert his own team to overcome the Colorado Party crisis and to attain more power.

Rivarola said: "Apparently, he is trying to establish his own team, one that does not respond to any specific Colorado Party group or the military.

"I do not believe he intends to potentiate Wasmosism because this movement lacks power at the party level."

She added that there have been important changes in the campaign for internal party elections, such as the distancing of the [Vice President Angel Roberto] "Seifart movement" and the political vacuum created by the ruling party as a result of the postponement of the Colorado Party elections.

Rivarola also asserted that the frail Paraguayan democracy has again stumbled in the last few days in view of social problems and citizens' disenchantment with their unanswered claims.

Within this context, Rivarola stated that Wasmosy's recent meeting with opposition politicians reflects the mature attitude of the political class in terms of its support for the president and the government process despite the political cost that such support may represent.

Rivarola said she does not believe that a coalition or the appointment of opposition members in the cabinet would resolve the current political crisis.

She said that the only case of a coalition government in Paraguayan history (1946) was a complete failure.

Rivarola remarked that the distribution of cabinet posts among the opposition is not an intelligent alternative because it would result in a government debacle caused

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by a cabinet reshuffle a mere two years before the end of the presidential term.

She stated: "Within this framework, Wasmosy will have to achieve an agreement with political parties and give them the share of power they demand. This does not necessarily mean cabinet appointments. It means the presence of opposition members in public posts, but not necessarily a cabinet appointment. However, I am fearful of this at this stage, in the midst of a political crisis."

Rivarola believes that the citizens' reaction during this political period is very serious because there is disenchantment with both the executive and legislative branches.

She added: "The people dream of the past. This is very serious because there is the impression that people dislike democracy. If we interrupt the democratic process now, we will continue to do so in the next 10 years. If this occurs, we will be unable to resolve the situation through the holding of elections. It will be done through coups d'etat and military uprisings. Then we would be running the risk of returning to a period characterized by a lack of governability, similar to what was experienced from 1947 to 1952."

Rivarola stated that the Colorado Party problems, the deterioration of the social crisis, and the lack of a congressional majority to support his government programs make it difficult for Wasmosy to govern. In view of this, the opposition's support is very important.

Peru

Peru: Prime Minister Reaffirms Privatization Policy

96P20384A

[FBIS Report] Freshly appointed Peruvian Prime Minister Alberto Pandolfi Arbulu told the press that he and his newly formed cabinet would follow President Alberto Fujimori's instructions to "emphasize the economy" and to "accelerate privatizations."

According to a 5 April article in center-left Lima daily LA REPUBLICA, a "nervous" Pandolfi explained that the government has "two tasks" with regard to the nation's economy: 1) to promote private investment in "economic activities," rather than manage these activities; and 2) to "attract resources and investments" for the various business sectors so that they can be managed "privately and efficiently." Interestingly, Pandolfi has had a long career managing state-owned enterprises, and when the decision was made to privatize the oil company PetroPeru (of which he was the general manager), he was appointed to head the privatization committee.

Prime Minister Pandolfi, who is also minister of fisheries, confirmed that he would follow the previously established time table for privatizations, including the widely opposed privatization of PetroPeru, and the privatizatiion of the state-owned fisheries concern, Pesca-Peru.

In statements reported in LA REPUBLICA 4 April, the prime minister said that the recent "cooling" of the economy was "discouraging," but that it was "also necessary." He urged "calmness," because, he said, "no matter how you look at it, Peru is moving forward."

Peru: State of Emergency Renewed in Nine Departments

PY0904204396 Lima Radio Programas del Peru Network in Spanish 1700 GMT 9 Apr 96

[FBIS Translated Text] The government has renewed for 60 days the state of emergency in several provinces of Pasco, Junin, Huancavelica, Ayacucho, Cusco, Huanuco, San Martin, Loreto, and Apurimac departments.

The constitutional measure is enforced as of 5 April in the provinces of Oxapampa, Satipo, Chanchamayo, Huancavelica, Castrovirreyna, Huaytara, Huamanga, Cangallo, and La Mar, in addition to the districts of Quimiri and Pichari of La Convencion Province in Cusco Department and Chincheros and Andahuaylas provinces in Apurimac.

The measure also affects the departments of Huanuco, except for Puerto Inca, (Yarohuilca), and 2 de Mayo provinces and Huacarachuco District in Maranon Province, in San Martin, and Yurimaguas District of the Upper Amazonas province.

Peru: Negotiations With IMF, Banks To Continue on Schedule

PY0904211296 Lima GESTION in Spanish 9 Apr 96 pp 20, 21

[FBIS Translated Excerpt] A source of the economic team has reported that the schedule announced by Economy and Finance Minister Jorge Camet last month — related to negotiations with the IMF and the Banks Advisory Committee — will not be changed.

Despite the cabinet reshuffle, which coincided with the Easter celebrations, there will be no interruption in the scheduled plan announced on 3 April before President Alberto Fujimori decided to reshuffle his cabinet.

One member of the economic team said: "On the contrary, efforts will now be made to carry out without interruptions the negotiations with the IMF and the banks to conclude those two stages as soon as possible."

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Meanwhile in New York, bank sources confirmed that on 3 April — before the members of the new cabinet were publicly announced — a member of the economic team contacted the office of the president of the Banks Advisory Committee to confirm that the delegation of Peruvian negotiators would be arriving in the United States on 8 April to resume the negotiations for reaching an agreement on the "term-sheet." [expression given in English]

Thus, it can be deduced that Minister Camet has received the green light to take as soon as possible the necessary steps to conclude the talks with the IMF over an Extended Facility program for the next three years. In the meantime, the negotiating team headed by Jorge Peschiera will try to reach agreement on details that still need a financing program for the reorganization of the bank debt — which is better known as the "term-sheet."

This is how obstacles are being overcome to allow Peru to conclude the next to the last stage of its process for returning to the international financial system. Once negotiations with the IMF and the banks conclude, the government must negotiate its debt with the Paris Club in mid June, as announced by Minister Camet. [passage omitted]

Uruguay

Uruguay: 'Peaceful' Protest in Santiago Vazquez Jail Ends

PY0904172796 Madrid EFE in Spanish 2122 GMT 6 Apr 96

[FBIS Translated Text] Montevideo, 6 Apr (EFE) — A peaceful protest that was initiated five days ago by the Santiago Vazquez prison inmates ended today without incident and with a promise by government officials to meet various petitions raised by the inmates.

A dozen inmates initiated the protest on 2 April, but subsequently most of the 1,450 prison inmates joined it. The prison is located on the outskirts of Montevideo.

A solution emerged after Interior Minister Didier Opertti and Supreme Court President Juan Marino met — inside the prison — a delegation of inmates and relatives and promised them to meet various points that had been included in their petitions.

The inmates asked for a reduction of their sentences, more celerity in the handling of their lawsuits, an end to the bureaucracy and ineffectiveness of the defense counsels appointed by the courts, better food, and improvement of the prison's workshops.

The interior minister said the government officials pledged to improve some internal issues in the prison and make efforts to speed up the Code of Criminal Procedure reform that is currently being reviewed in Congress.

The Supreme Court president announced that, as of next week, the relatives of prison inmates would be heard to review each case and, eventually, approve early releases. Many inmates have not received firm sentences.

During the protest, police and military forces surrounded the prison, but no incidents occurred.

Uruguay: Strategy To Fight Drug Consumption Detailed

PY0904214996 Montevideo LA MANANA in Spanish 24 Mar 96 pp 2, 3

[FBIS Translated Excerpt] Drug consumption in Uruguay is on the rise. It has been established that youths start consuming marijuana, amphetamines, and alcohol at the age of 14. In Brazil and other countries of the region drug consumption starts at the age of 12. High school teachers, the police, and public service physicians throughout the country are involved in an intense education and prevention campaign. This was confirmed by Alberto Scavarelli, assistant secretary of the presidency and president of the National Board for Drug Prevention and Repression.

A prevention and rehabilitation strategy has been drafted based on the conclusions of the seminar held in Montevideo with the participation of London University experts. It was decided to start a campaign to meet the serious problems resulting from consumption by youths. This campaign involves teachers throughout the country, and seeks to make every sector aware of the drug consumption and traffic problem throughout Uruguay. [passage omitted]

Scaravelli said the problem is mentioned in a U.S. State Department document that compares the problem in every country of the world using U.S. parameters. The document divides the problem in two; one part refers to deeds and expressly acknowledges the fact that huge quantities of drugs were seized during 1995 and, the other, to efforts made to control and prevent drug distribution and consumption.

Scavarelli admitted that efforts have yielded results to the point that what is being done in Uruguay in terms of procedures and action philosophy based on the education task could be used in other countries. He said he will soon travel to Germany, in response to an invitation by the German Government, and also to attend a congress in Egypt on the subject.

He added that people are beginning to notice Uruguay due to all that is being implemented and the achieve-

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ments made that are reflected in the figures resulting from nationwide daily surveys.

The aforementioned U.S. document contains an estimate, based on real numbers, on what could happen in the future. The report states that in view of our country's economic and financial situation, it is more exposed to laundering of narco-dollars. It does not mention figures that reflect the quantities laundered but does mention that it runs the risk of being used for this purpose.

The government keeps a close watch on these aspects of the main problem, that is, smuggling, distribution, and sale of drugs, as well as consumption by youths. It also maintains that sustainable development in the immediate or far future is not feasible based on flight capital and less still on ill-gotten money.

Moreover, Uruguay must fulfill the 1988 Vienna Convention Treaty, ratified in 1994, and define money laundering crimes together with other crimes.

As Scavarelli stated, the quantities of drugs seized last year have been "historic," especially in Rivera where the police seized cocaine worth more than $12 million as well as shipments of heroine, and large quantities of marijuana and LSD.

Scavarelli admits that this confirms Uruguay is a corridor for international drug trafficking. The problem is aggravated by the container system used at Uruguayan ports, some of which have double bottoms, and sophisticated smuggling systems that have spread significantly.

Referring to the belief that not enough is done to fight the drug scourge, he said the problem is double although complementary: trafficking and consumption.

The National Maritime Prefecture, the Police, and Antinarcotics brigade, which operate jointly, have seized large quantities of drugs. Moreover, since consumption is not a crime, those who sell drugs carry small quantities which, they say, is for their own consumption if arrested.

Trafficking has sustained hard blows; just one week ago drugs worth $500,000 were incinerated at the Police Hospital. These actions are carried out repeatedly.

One should remember that the institutions in charge of fighting trafficking are now being reorganized and they do not have the technical means for this struggle, unlike the mafias involved in the trafficking and distribution of drugs for consumption — especially in the developed countries.

At this moment coordinated actions are being carried out by the Interior, Defense, and Economy and Finance Ministries. The police, special brigades, and the national maritime and customs prefecture are working together. [passage omitted]

Uruguay: President Says Mercosur-Chile Pact 'Positive'

PY1004033396 Montevideo EL PAIS in Spanish 27 Mar 96 p 7

[FBIS Translated Excerpt] President Julio Maria Sanguinetti has termed Chile's association with Mercosur [Common Market of the South] "very positive." The head of state has deemed that in the medium term, this trade agreement will greatly benefit both parties.

Sanguinetti further stated that Chile and the customs union comprising Argentina, Brazil, Paraguay, and Uruguay have many reciprocal interests.

The president added that he understood — but did not share in — the protests the announcement of the agreement between Chile and Mercosur elicited among Chilean farmers, who contend that Chilean agriculture will be damaged in its competitiveness. The chief executive commented: We have mutual interests. The important thing is to grow together and it is pointless that somebody should envision that this association has been conceived in such a way that one country may grow to the detriment of the others.

Sanguinetti conceded that the new association may have some adverse effects on the Chilean agriculture in the short term, but made it clear that in other areas, such as wine-making and fruit growing, will greatly benefit by the agreement.

The head of state noted that integration is the most appropriate tool to face the future in a world where the economy has been globalized adding that the consolidation of this integration endeavor in South America is most positive.

Nevertheless, the president urged caution and good sense to make headway along this new path. He pointed out that the future is not a train with a fixed timetable, but rather a cart which one has to push every day with great effort. Sanguinetti added: I am convinced that by working in cooperation with one another, our countries will achieve good results. [passage omitted]

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